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NEWS SUMMARY

GENERAL

4 hurt in IRA store bombing

The IRA in Dublin claimed responsibility last night for bomb explosions in Yeovil, in which four people were injured, one seriously.

Police said a man was helping with inquiries after the blasts—one in a Woolworth store in the town centre and the second in a nearby car park—yesterday evening. One of the injured is in hospital.

Bomb disposal were called in to destroy by controlled explosion one of five unexploded devices found in the town. Police were examining the other packages.

The Provisional IRA telephoned the Irish Times in Dublin to say that their "intention is to force the English people to question the British Government's occupation of our country."

Ulster Secretary Roy Mason warned last night that the IRA may be about to launch a new bombing campaign in Northern Ireland.

UN meets over Vietnam battle

The UN Security Council was meeting last night as Chinese troops continued to push further into Vietnam. Regular Vietnamese troops were being brought up from the south as a battle raged for the provincial capital of Lang Xon. **Back and Page 2**

Varley in Peking

A low-key approach on the sale of Harrier jump jets is likely to be adopted by Industry Secretary Eric Varley, who arrived in Peking for a nine-day trade visit. **Page 2**

Welsh 'say no'

About 57 per cent of Welsh voters will oppose devolution in next week's referendum, a 12 per cent rise in two weeks, according to a poll by the Western Mail and Harlech Television. **Back and Page 4**

Rail escape

Seven people were slightly injured when two London-bound trains apparently went on to the same track at Hampton Court Junction near Surbiton, Surrey, and one carriage plunged down an embankment.

Dearer baptisms

The Church of England is to ask Parliament to approve 20 per cent to 25 per cent rises in fees for baptism, marriage and funerals from July 1

Fishing curb

Mackerel fishing off the west coast of Britain is to be banned for three months of this season in an attempt to halt the recent rise in catches, the Agriculture Minister said. **Page 22**

Rhodesian raid

Rhodesian jets have attacked a large guerrilla camp 20 miles west of the Zambian capital of Lusaka, the third such attack in six days. **Page 2**

Tehran rally

About 80,000 Iranian Left-wingers and other supporters of a democratic State held their biggest show in Tehran of opposition to an Islamic republic since the uprising

Briefly . . .

Indian Prime Minister's son Kanti Desai will face a supreme court inquiry over allegations of corruption.

Striking steel workers from Lorraine occupied the second floor of the Eiffel Tower to fight mass dismissals threat.

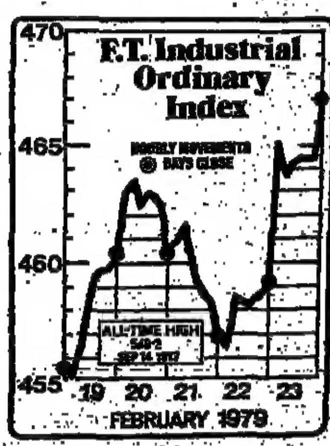
Comedian Albert Modley, 87, died in his home in Morecambe, Lancs. He will be seen in tonight's ITV play All Day on the Sands.

BUSINESS

Equities up 7.8; £ adds 25 points

● **GILTS** ended a buoyant week with high-coupon longs extending gains to 2 points, and shorts rises reaching to ¼. Government Securities Index rose 0.87 to 67.80, for a gain on the week of 2.61, or 4 per cent.

● **EQUITIES** attracted interest and leaders progressed to close



at the day's best. FT 30-share index ended 7.8 up at 467.0, a gain of 16.3 on the Account.

● ***GOLD*** *fell* $1¼ to $251⅞. Comex February settlement price: 254.10 (251.50).

● **STERLING** rose 25 points to $2.0120. Trade-weighted index was 63.9 (63.8). Dollar's depreciation was 8.2 (8.3) per cent.

● **WALL STREET** closed off 5.29 at 823.28.

● **CLOSURE** of a number of South Wales pits has been discussed in talks between the Government, the NCB and the NUM. Miners' leaders claim the NCB has a list of 10 pits marked for closure, with the loss of 2,000 jobs. **Back Page**

● **BRITISH** Steel Corporation increased its pay offer to its biggest union—the Iron and Steel Trades Confederation—to 8 per cent. Talks on the offer resume on Thursday. **Page 4**

● **BRITISH** Airways and British Caledonian Airways are seeking permission to raise fares on the UK trunk air routes between London and Glasgow, Edinburgh and Belfast, from May 1. **Page 4**

● **MOTOR-CYCLE** sales fell more than 20 per cent in January, compared with the same month last year. Transport Department figures show. **Page 3**

● **SECRETARIAT** members of the English Institute of Chartered Accountants are recommending the establishment of a panel of accountants to review the latest accounts of Lonrho. **Page 4**

● **JOHN LEWIS** Partnership has decided to withdraw from the £40m town-centre development *plan for Sutton, Surrey.* **Page 4**

● **RHONE-POULENC** of France and a subsidiary of Dai Nippon Ink and Chemicals of Tokyo have become locked in a $52m takeover battle for Polychrome, the New York-based printing concern. **Page 23**

COMPANIES

● **GEI** International has lifted its bid for Moss Engineering by 13 per cent, and added a cash alternative, but has still not won support from the Moss Board. **Page 20**

● **UNITED KINGDOM** Provident is making a property-value bonus payment as from March 1—the first time a life company has paid a bonus based on investment performance of a particular part of a portfolio. **Page 20**

● **NEEPSEND** taxable profits fell to £396,000 (£656,000) in the six months to September 30, reflecting the continuing steel industry recession. **Page 20**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Exchequer. 13¼pc 1987		
15 pd.	£17⅞†	+ 2¼
Treas. 13¾pc 2000'03.		
15 pd.	£18⅝†	+ 3⅜
Excheq. 12pc '13-17	£91¼	+ 2
Akroyd Smithers	194	+ 12
Allnatt London	264	+ 6
Assd. Leisure	84½	+ 5
Berrys	204	+ 9
BOC Intnl.	75	+ 3
Barclays Bank	410	+ 18
Burton A	208	+ 9
West Nicholson	104	+ 7
Eurotherm	318	+ 22
GEC	334	+ 10
Hartwells	114	+ 6
Hunting Asscd.	180	+ 17
ICI	389	+ 14
Jacksons Brne. End	128	+ 5
Lucas Inds.	280	+ 7
MFI Furniture	234	+ 10
Moss Eng.	89½	+ 4½
NatWest	308	+ 16
Nottingham Mnf.	121	+ 4
Pleasurama	110	+ 8
Regional Props.	96	+ 6
SGB	194	+ 8
Sharpe and Fisher	55	+ 4
Stakis (Reo.)	49	+ 4
Stormgard	18	+ 3
Sunley (B.)	283	+ 15
Tozer Kemsley	46	+ 3
Unitech	197	+ 7
Utd. Scientific	252	+ 9
WGI	134	+ 6
Ward Hldgs.	44	+ 5
Wilkinson Match	175	+ 7
BP	988	+ 12
Pacific Copper	120	+ 8

FALLS

Bath and Portland	48	− 5
Booker McConnell	266	− 18
Nat. Carbonising	40	− 4

† Based on issue prices

Tight cash limits set—but loophole left for pay rises

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Cash limits on public spending for the financial year starting in April are initially to be fixed on the basis of fairly tight cost and pay assumptions. But a major loophole has been left to allow for later, though partial, adjustments if wage deals are above the official guidelines.

Consequently, the Government has effectively deferred until the April 3 Budget and later in the year, a series of key decisions about how public sector deals in excess of the limits will be absorbed within overall expenditure and borrowing limits.

This is the implication of a written parliamentary answer yesterday by Mr. Joel Barnett, Chief Secretary to the Treasury.

He said limits would be set to support "the observance of the Government's monetary targets and a public sector *borrowing requirement for* 1979-80 in line with the projection in the recent public spending White Paper." This is £7.2bn at 1977-78 prices, which is generally taken as implying £8.5bn at current prices.

The strictest part of the limits concerns prices, and effectively covers that half of public spending represented by purchases of goods and services from the private sector.

The Government does not intend to increase cash limits to accommodate any higher price rises beyond the specified assumption of an 8½ per cent increase in the Retail Price Index in the 12 months to the fourth quarter of this year.

This figure was in last November's official forecast, but many economists now believe that the rise could be about 12 per cent for the period. Since each one point increase in the retail price index above 8½ per cent cuts the volume of spending by £125m (at constant 1978 prices), this could imply a tight squeeze.

The biggest uncertainties concern pay, where cash limits will be set in accordance with the original assumption that earnings will rise by 7 per cent plus the recent concession to the low-paid.

The Government will, however, "*review each case as* settlements are reached. Certain adjustments may be necessary but, for central Government expenditure on manpower, the general principle will be that a substantial proportion of any excess cost above the provision already made will have to be absorbed within the existing cash limit."

This is intended to cover the point made by Mr. Denis Healey, the Chancellor, in the Commons last month that, in practice, it would not be possible to sack, say, social security benefit staff, to offset excessive pay rises, and the limits would have to be adjusted with offsetting action elsewhere.

The implication of Mr. Barnett's statement is that such changes will be minimised. But, to the extent that part of any excess awards cannot be absorbed within proposed limits, the adjustment will have to come through budgetary action—cuts in the volume of spending and tax increases—to meet the borrowing target.

On local authorities, Mr. Barnett noted that it had been agreed that their cash limits should be increased in respect of the Government's contribution to the offer made to manual workers. This covers what is

Continued on Back Page

Statement Page 3 ● Editorial comment Page 18

Manual workers urged to take 'final offer'

BY ALAN PIKE, LABOUR CORRESPONDENT

WORKERS INVOLVED in the public service disputes yesterday came under strong pressure from the Government and the TUC to vote for a return to work.

The campaign to convince the local authority, health service and ambulance employees that the Government will yield no further ground on their pay demand started very soon after *the proposed settlements* were rejected by the executive of the National Union of Public Employees on Thursday night.

Mr. Peter Shore, Environment Secretary, said that the offer was "a good one and it is as far as we can go." *The dispute* could be ended now on a fair basis "or it can drag on with growing ill-will and with no improvement at the end."

During a hospital visit in Wakefield Mr. David Ennals, Social Services Secretary, delivered a similar message. "There is no question at all of the Government providing anything further," he said.

The local authority and health manual workers have been offered £3.50 per week and consolidation of supplements—a package worth 9 per cent—as *well as £1 a week on account of* a proposed comparability study.

Mr. Len Murray, TUC general secretary, added his opinion yesterday that this offer, "as those directly responsible for the negotiations agreed," was the maximum obtainable.

He appreciated that some workers would be keenly disappointed, but he hoped they would recognise that they were being offered more than the immediate cash award.

"Four wage increases are possible within the next 13 months, and a long-overdue opportunity has been opened up to bring their terms and conditions into line with those of other workers."

Under the comparability proposals the public sector workers would receive half of any award in August and the remainder in April 1980. Their annual wage negotiations next November would continue unhindered but they could then consider transferring them to April—a move that would put them at the end rather than the beginning of the pay queue.

The General and Municipal Workers' Union announced yesterday that its London regional conference had recommended rejection of the offer but said the "vast majority" of conferences had still to be held. An individual ballot of all the workers involved was discussed at the meeting but was not taken up.

TWO THOUSAND civil servants in 20 key Government installations will start indefinite strikes over pay tomorrow. Yesterday's strike closed many Government offices and disrupted flights and Customs.
Back Page

Olympia increases EPC bid

BY CHRISTINE MOIR

OLYMPIA AND YORK Developments, the private Canadian company, now has a clear lead in the race to buy the English Property Corporation.

Yesterday, Olympia won the approval of the EPC board for a 54p (£52m) increased bid and announced that by buying in the market it now owns, outright, 20 per cent of EPC's shares.

The new offer represents an 8 per cent increase over Olympia's opening bid on Wednesday—the fourth EPC had received in the nine month battle—and values the company at a 24 per cent discount to its stated net assets of 71p.

With preference shareholders and holders of the loan stock being offered similar increases, the total value of EPC is now £59m.

The 46p per share from Wereldhave, the Dutch contender, closed yesterday afternoon with negligible acceptances, but Morgan Grenfell, as advisers, quickly denied that Wereldhave had admitted defeat.

The chairman of the Dutch company, Mr. Willem van Dijk, is in Canada. When he returns next week, a further announcement can be expected.

This could coincide with the offer document from Olympia which is due at the end of the week and which will outline the Canadians' plans—so far absent—for EPC and its Canadian subsidiary, the Trizec Corporation.

A feature of the bid battle has been the way in which Eagle Star, the insurance group which owns 27 per cent of EPC and was briefly a suitor for the company, has provisionally accepted each higher offer as it has emerged.

Yesterday it was joined by the Royal Insurance, which threw its near 4 per cent stake behind Olympia in the absence of any higher bid.

In the market EPC's shares which had crept up 1½p above Olympia's first offer, closed yesterday at 54p, an exact match for the new bid.

CONTENTS OF TODAY'S ISSUE

FEATURES

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BANK OF ENGLAND HOLDS BACK REPLACEMENT STOCK

Gilts issues rise sharply

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE TWO new and heavily over-subscribed gilt-edged stocks rose to a substantial premium above their issue prices in the stock market yesterday, in one case of over a fifth.

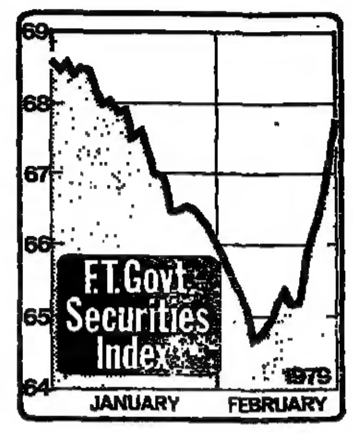
That provided a total potential capital gain on the stocks of about £45m in less than a day. There was strong demand in the market from the start and in active trading the long-dated stock, 2000-03, rose to £18⅝ on the £15 paid issue, while the medium-dated loan, 1987, went up to £17⅞ on a similar basis.

Prices of other stocks also increased sharply again with few signs yet of substantial profit-taking after a rise of 4 per cent in the FT Government Securities index over the past week.

The Bank of England decided not to announce any replacement stock yet in view *of the market conditions and* the absence of any funding pressure after the heavy sales of the past fortnight.

The official preference is for waiting until the markets have settled down though a new stock, or stocks, will probably come within the next fortnight. There is a similar attitude of no hurry about Minimum Lending Rate which, at 14 per cent, is now well out of line with money market interest rates.

At the Treasury bill tender yesterday, the average rate fell by 0.4721 to 12.2281 per cent, which would have indicated MLR of 12¾ per cent



under the old market-related formula which was abandoned last May. But that rate may have been artificially low.

The heavy sales of gilt-edged stock have, however, created liquidity problems at *the* very short end of the money market, which the Bank has temporarily relieved for the next few days.

There is no attempt by the authorites to deny the the hectic market conditions, especially *the circumstances* of Thursday's sell-out, have been embarrassing. Apart from the mechanics of the operation, there appears to be a recognition that a debate is being, and should be, opened up about methods of financing the Government's borrowing needs.

Gilts and inflation, Page 18
Lex, Back Page
Picture, Page 3

Brokers pay out £1m compensation for 'lockout'

BY CHRISTINE MOIR

STOCKBROKING firms paid nearly £1m yesterday morning to compensate clients caught in the gilts lockout at the Bank of England on Thursday.

The rest of the financial community, including the clearing banks, had decided to follow the same principle by the end of the day.

It is estimated that the Bank of England turned away £1bn when it refused to serve applicants who were on the premises *to lodge applications for the* new stocks at closing time but had not reached the counter.

The unlucky investors stood to lose their potential profit when dealings started at a substantial premium in the market yesterday. Instead the brokers, banks and investment houses have made good the difference.

"We have a moral obligation," one of the clearing banks said. "The rest follows."

If all applications had been accepted each applicant would *have ben allotted substantially* fewer units. The financial community has thus paid out up to double the profit investors might have received if the issue had gone normally.

That has fuelled the City's *anger against the Bank, which* is accused of failing to prepare itself for the demand it knew the stocks would create.

The Bank also "failed to comprehend the effect of its action on the moral obligations of *trusteeships," according to* Mr.

Continued on Back Page

Inflation in U.S. may top 10%

By Jurek Martin in Washington

U.S. CONSUMER prices rose by 0.9 per cent in January compared with a 0.6 per cent rise in the previous two months. The December returns had, however, been artificially depressed by the one-off impact of property tax cuts in California. Overall last year, consumer prices rose by just more than 9 per cent.

Food was the main cause of the January increase. Food in the overall index rose by 1.4 per cent; both medical care and transport costs went up by 1.1 per cent; while the housing index rose by a more modest 0.6 per cent.

The wholesale price returns announced earlier this month had indicated a worsening of inflation for the consumer. The view now is that little immediate relief from inflation reaching double figures is in sight.

Mr. Barry Bosworth, director of the Council on Wage and Price Stability, which monitors President Carter's anti-inflation programme, told a Congressional hearing yesterday that prices were likely to continue to escalate before the Government's anti-inflation policies begin to take hold.

Mr. Bosworth said the January figures merely underlined the seriousness of the problem and the need for concerted effort — over several years—to bring it under control.

President Carter has been bravely maintaining that business in particular is complying with his voluntary wage and price guidelines and that there is evidence that the trades unions are increasingly sympathetic to the goals.

However, on Thursday the council of the AFL-CIO the main labour organisation, said it would go to court to challenge a key provision in the programme—that which would deny Government contracts to compaines who enter into wage settlements in excess of the guidelines.

The administration has also said many companies made their "allowable" price increases at the beginning of this year and will hold the line for the months ahead.

But, countering this, is evidence of inflationary pressures from other uncontrolled quarters.

£ in New York

—	Feb. 23	Previous
Spot	$2.0135-0145	$2.0100-0110
1 month	0.42-0.38 dis	0.44-0.40 dis
3 months	0.92-0.87 dis	1.02-0.96 dis
12 months	3.25-2.95 dis	3.55-3.35 dis

OVERSEAS NEWS

France, W. Germany call for halt to S.E. Asia fighting

BY ROBERT MAUTHNER IN PARIS

FRANCE AND West Germany yesterday made a joint appeal for an immediate halt to hstilities in south east Asia following a two-day summit meeting here between French President Valery Giscard d'Estaing and West German Chancellor Helmut Schmidt.

The co-ordination of the two Governments' policies on the Sino-Vietnamese and Cambodian conflicts was the main outcome of the meeting. Though M. Giscard d'Estaing and Herr Schmidt also discussed possible solutions to the dispute holding up the introduction of the proposed European Monetary System, they declined to say whether they had made any progress in this field.

A statement issued by the French government after the meeting called not only for a halt to the fighting in south-east Asia but for a withdrawal behind their own borders of "all forces that had crossed national frontiers." A similar appeal was issued later by the West German government in Bonn.

French and West German spokesmen explained that the two governments had decided to make an appeal for a cessation of hostilities in the whole south east Asian region, rather than confine themselves to the Sino-Vietnamese conflict.

French officials said that France's statement was directed both at Peking and Hanoi and also referred to Vietnamese military operations in Cambodia.

Both President Giscard and Herr Schmidt expressed their concern about Soviet reaction to the Sino-Vietnamese conflict and stressed that the fighting in Vietnam must not be allowed to interfere with the progress of East-West detente. Officials said afterwards that the two governments agreed that the conflict should be brought before the United Nations Security Council.

The discussions on south-east Asia overshadows talks both between President Giscard and Herr Schmidt and between the West German Chancellor and French Prime Minister Raymond Barre on the problems blocking the EMS.

While underlining the importance which France and West Germany attached to the setting up of the EMS, a spokesman for both delegations were at pains to point out that solutions could only be found by all nine Common Market members and not by France and West Germany bilaterally.

The absence of the French and West German Agriculture Ministers from the meeting appears to be an indication that the controversial issue of monetary compensatory amounts (MCAs) was not discussed in great detail.

Soviet move expected

BY DAVID SATTER IN MOSCOW

THE SOVIET UNION may soon be forced to decide on whether to take military action in support of Vietnam as the Chinese, far from heeding a Soviet warning to stop the invasion, push deeper into Vietnamese territory.

The Soviets have been careful in their statements as they were in the wording of friendship treaty with Vietnam to leave open the possibility of not responding to an attack on Vietnam with a retaliatory attack on China.

But the clear weight of the February 18 warning to the Chinese to stop before it was too late was that if the Chinese went too far in their attack on Vietnam, the Soviets would be forced to come to the aid of the Vietnamese.

There has been an increase in Soviet supplies to Vietnam but so far no move to send Soviet advisers or change the disposition of troops along the Sino-Soviet border.

This could change quickly, however, and some analysts were predicting that if the Chinese show no sign of ending their action against Vietnam the Soviet reaction could come "in days rather than weeks."

The Soviets clearly do not want to escalate the situation by striking against the Chinese. Soviet commentators, rationalising this reluctance, said early this week that the Soviet warning to the Chinese had the effect of "a cold shower."

French steel talks

BY TERRY DODSWORTH IN PARIS

M. ANDRE GIRAUD, the French Industry Minister, met the main steel industry unions yesterday amid strong indications that the Government was preparing to offer new temporary job-creation measures to redundant steel workers.

A previous meeting between the steel unions and the Government, under the direction of M. Robert Boulin, the Labour Minister, produced only concessions on the lowering of retirement age in the industry and a delay in the timing of redundancies.

These were dismissed as entirely insufficient by the trade unions. But yesterday's meeting, which stretched well into the evening, showed that both sides were intent on a deeper discussion than their previous hard-line statements had suggested.

The unions, incorporating all of the steel industry representatives, went into the meeting with a demand that the reorganisation scheme for steel, involving 23,000 redundancies in the next two years, should be completely recast.

The Government has previously flatly rejected this position, on the grounds that the French industry is hopelessly uncompetitive in world markets.

More EEC power urged

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT, IN BRUSSELS

THE EEC's Christian Democratic parties yesterday approved a common platform for next June's direct elections which calls for an extension of the powers of the European Parliament through amendment of the Rome Treaty and a strengthening of the executive authority of the EEC Commission.

The document was approved by a congress in Brussels of the European People's Party (EPP), a federation of Christian Democrat parties from all EEC countries except Britain and Denmark, which was set up in 1976 in preparation for the direct elections campaign. Its chairman is M. Leo Tindemans, the former Belgian Prime Minister.

The platform goes further in the direction of a federal Europe than was apparently considered desirable by some members of the Centre des Democrates Sociaux, the small centrist party headed by M. Jean Lecanuet which belongs to the French governing majority.

IRAN PREPARES TO RESUME OIL EXPORTS

Khomeini in charge as the wells re-open

BY SIMON HENDERSON IN THE OILFIELDS OF KHUZESTAN, SOUTHERN IRAN

IN A SURGE of popular support for Ayatollah Khomeini and the new-found Islamic nationalism of Iran, the oil workers in the flat and barren desert around the town of Ahwaz are once again preparing to produce oil for export. The danger of Left wing militants disrupting this move, which was at one time feared, seems slight.

A month ago the area was in the grip of anti-government strikes determined to force the Shah's exile and overthrow his dynasty, and two months ago the assassination of the top western oil expert precipiated the evacuation of about 1,000 foreign oilworkers.

It is a turnaround perhaps no better symbolised than by the public appearances there this week of Mr. Yassir Arafat, the Palestinian leader. From a microphone at the town's stadium the familiar figure dressed in the usual black and white chequered keffiah embraced the Iranian revolution and warned of the continuing dangers of imperialism and Zionism.

These are jargon phrases which go down well in Ahwaz where the half million Iranians who live here are all too aware of the inequalities between western workers and locals in salaries and conditions.

On the other side of the equation, the fact that so much of the oil revenues were spent on building up the Shah's military force is also keenly felt.

Several times in January, loyalist soldiers from the Chieftain tank-equipped armoured division in the town disobeyed orderes and rampaged through the streets blasting and crushing any of the local population who had continued to protest.

The surprise decision announced by Dr. Ibrahim Yazdi, vice Premier for Revolutionary Affairs, to restart exports within a few days shows though that many of the long term consequences have still to be thought out if Iran is not to repeat the mistakes of the past.

About the only known decision is that Israel and South Africa will not be supplied. But that is a decision which was taken by Dr Ohampour Bakhtiar.

Leaders of the oil workers in Ahwaz and Abadan speak blithely of returning production to the previous peak of 6m barrels a day, forgetting that this was the figure which threatened to exhaust the nation's oil reserves in 20 years and which gave revenues of $21bn a year that the economy could not absorb.

The question of to whom the oil is sold is also unanswered. Theoretically it will be OSCO—the Oil Services Company of Iran, a BP-led consortium which produces the oil and buys it at a discount for export. But the new nationalism of Iran may prevent the discount being paid, and the complete absence of expatriate workers following their evacuation in January, may have rendered void the contract by which the consortium was assured of supplies.

There are some indications of how large scale oil exports can be resumed, though this might take some time to bring about.

Most of the work involved in bringing the fields back into production can be done by Iranian employees of OSCO.

But the whole position of OSCO, forced to evacuate 600 western experts several weeks ago, is under threat. A hard core of about 120 technicians has been waiting in Athens to see if they will be allowed to return. The National Iranian Oil Company (NIOC) may try to hire them directly rather than through OSCO.

Expatriate workers still employed at the Iranian-run Abadan refinery say they know that 100 of the former OSCO workers have been offered contracts by NIOC to return. These are men who are highly specialised in drilling and the technical sides of oil exploration, without whom the full production figure could not be met, according to other oil experts.

A figure of 4.2m barrels a day is considered the maximum oil production that can be achieved without expatriate assistance and this is probably the figure which will be settled on.

However, an immediate return to production of 4.2m barrels looks optimistic and resumption of 6m b/d can be ruled out.

Shell believes that crude production in the second quarter of the year could average 2m b/d, rising to an average of 4m b/d in the second half of 1979.

Much depends on technical state of the oilfields. There has been some sabotage at pumping stations. In a number of instances printed circuits were deliberately reversed.

The loyalty of the oil workers to Ayatollah Khomeini and the Government in Tehran must be gratifying to Mr. Medhi Bazargan, the Prime Minister and himself the first head of NIOC in the 1950s. In Abadan and Ahwaz the danger of the Left-wing is recognised but also minimised. Dr. Yazdi says talk of such trouble is nonsense. The local Ayatollah in Ahwaz says the Left cannot be allowed to decide oil policy.

For the moment the Left appear to acknowledge the superior strength of those loyal to the "Komiteh" of Ayatollah Khomeini.

The Komiteh seems firmly in control of both Abadan and Ahwaz. Leftists are admitted to be on some of the committees now operating the industry in parallel or above the usual management but their strength is never greater than 30 per cent and in the Abadan refinery the Leftist leaders are said to be isolated.

The only absence of control is the presence of "bandits" at night on the 80-mile road northwards to Ahwaz.

The Left were arguably outmanoeuvred by Dr. Yazdi and the son of Ayatollah Khomeini who accompanied Yassir Arafat to the area. Any radical who did not turn out to welcome the Palestinian leader would have precious little ideology left on which to base his action.

The Cherikaye Fedeyen E Chalq, the Leftist terrorist group, could conceivably try sabotage or assassination to promote their own socialist revolution. But the message from the forces of Khomeini is that they will crush them if they try.

Thousands hear attack on Islamic state

By Our Tehran Correspondent

THE IRANIAN Left, and other supporters of a democratic state, yesterday mounted a massive show of opposition to an Islamic Republic.

A crowd of about 80,000 people—many of them from the middle classes—assembled on the campus of Tehran University in the heart of the capital to listen in cold drizzling rain to speeches pressing for a people's army to be set up, and for elected councils to be formed to run government departments and industries at all levels.

Ayatullah Khomeini, who banned the original plan for a march on Thursday, was hardly mentioned. Apart from rhetorical slogans against colonialism and imperialism, the only reference to foreign influence was a call for the nationalisation of western interests in Iran.

With thousands of grizzled workers present, the politically most charged demand was one for the "real voice of the oilworkers" to be represented on the Islamic Revolutionary Council—the top policy making body in Iran.

At one stage a noisy counter-demonstration by a small number of Khomeini supporters threatened to disrupt the proceedings, but this never became more than a threat, and the day passed off peacefully.

Egypt's arms list may be pruned

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

PRESIDENT CARTER has broadly hinted that the U.S. will be unable to meet Egyptian President Sadat's extensive shopping list for U.S. arms.

Mr. Carter, addressing a State Department seminar, said that once Egypt and Israel had concluded a peace agreement, both nations could serve as stabilising forces in the Middle East. In particular he noted that the five Egyptian divisions now tied up in the Sinai would be freed and could be deployed to help "preserve the peace" elsewhere in the region.

But Mr. Carter also implied that he thought it would be a mistake for Egypt to try to assume the role of Middle East "policeman." He added that President Sadat's request for U.S. arms, including, it is reported, F-16 fighter bombers, tanks, missiles and artillery, might well be "beyond our means" to meet.

Nevertheless, the State Department will soon send a mission to Egypt to assess its military needs, following the visit to Egypt last week by Mr. Harold Brown, the Defence Secretary. It is possible, therefore, that some more military assistance will be forthcoming, although in nothing like the quantity Mr. Sadat wants.

The U.S. is acutely aware of the nervousness in the oil-producing Gulf states of the dangers of Iran's instability spilling over. It was in recognition of this that Mr. Sadat coupled his arms request with a promise to use Egypt's enhanced military might as a force for regional security.

But, with the Middle East peace negotiations at Camp David now at a delicate stage, the U.S. also knows that Israel would look askance at any major commitment to beef up Egyptian (or Saudi) military capability.

Mr. Carter's caution on military sales was coupled at the State Department seminar with another brief lecture on the limitations of U.S. power and influence in the Middle East.

He doubted ("in complete candour") if the U.S. could do much more to persuade Jordan, Saudi Arabia or Syria to endorse last September's Camp David agreements.

What the President was trying to do was to reinforce the message of his major foreign policy speech in Atlanta last Tuesday on the advisability, or otherwise, of more forceful U.S. intervention overseas. At the seminar he warned his audience of the dangers of a simplistic interpretation of global events, casting everything in terms of a U.S.-Soviet confrontation.

● Crown Prince Fahd of Saudi Arabia has cancelled his planned visit to Washington on March 14-15 for talks with President Carter. The State Department said the cancellation was made because of the Crown Prince's ill health.

Varley cautious on Harrier sale

BY JOHN ELLIOTT

HONG KONG—The sale of Harrier jump jets to China is likely to be approached in a low-key way by Mr. Eric Varley, Britain's Industry Secretary, who arrived in Peking today for a nine-day visit. Britain still hopes that a £10bn five-year economic co-operation agreement will be signed, as had been planned before China invaded Vietnam a week ago.

But the invasion and the continuing military action cast uncertainty on how many of the original British objectives will be achieved.

Mr. Varley will be the guest of Mr. Wang Zhen (Wang Chen), Chinese Vice-Premier responsible for industrial affairs, who visited Britain last November. Since then, a lot of background work has been done on possible U.K. export contracts, and Mr. Varley had hoped to add more detailed agreements—on such matters as U.K. participation in building steelworks, power stations and coalmines, and possibly railways—to the primary economic co-operation agreement.

The intention of the British delegation, which includes 10 industrialists as well as senior Industry Department officials, will press on as far as possible with talks on the industrial projects.

But until tomorrow, when the first meetings with the Chinese take place, the British delegation will not be able to judge the effects of the Vietnam invasion.

The economic agreement now envisaged, however, would mention aircraft sales, and British Aerospace hopes during the week to interest China in buying civil aircraft, including the European Airbus.

It would then be up to the British Government to give a verdict on the sale.

ST. LUCIA BECOMES INDEPENDENT

Favourable omens for self-rule

BY TONY CROZIER IN BRIDGETOWN

OF ALL the islands of the eastern Caribbean group of former British colonies, St. Lucia, which became independent at midnight on Wednesday, would appear from the statistics to be best able to shoulder its new responsibilities.

The advent of the banana industry in the fifties, the development of the tourist trade and an encouraging start to manufacturing have been paralleled by improvements in the infrastructure, especially in the areas of road construction and educational opportunity.

This advance has been most marked over the past 15 years during which Mr. John Compton has headed the Government, first as Chief Minister, then after 1967 as Premier of the associated state.

Mr. Compton now becomes the island's first Prime Minister, and although the occasion has been somewhat marred by a boycott by the opposition of all ceremonies and limited industrial action by teachers and civil servants, the omens for self-government are favourable.

Sugar, for many years the leading export crop, has gradually declined, finally yielding to bananas in the mid-sixties, and the new industry, and the island now has close on 3,000 hotel beds. In 1977, tourist earnings were estimated at close upon EC$30m.

The largest single industrial development is the $135m Amerada Hess oil complex, now nearing completion in Cul-de-sac Bay, a few miles down the despite setbacks mainly as a result of drought, has become

Mr. John Compton

firmly established as the main agricultural crop. Last year, production was a pleasing 50,000 tonnes, worth nearly EC$60m (about £14m).

Copra, second in importance, has maintained a steady yield of the order of 5-7,000 tonnes a year, and will shortly benefit from a EC$25m investment project to improve processing.

In addition, the new Prime Minister has stressed the need for expanding food production in order to cut down the island's huge food imports bill.

The development of tourism has been climbing, visitor figures moving from under 50,000 in 1969 to nearly 200,000 in 1978. Accommodation has expanded to match this influx, Leeward coast from Castries.

Also planned for the same area is an industrial free zone, for which Prime Minister Compton has high hopes.

Looking to the future, Mr. Compton declared this week that he had no intention of "transporting the difficulties of other countries into St. Lucia." This has been taken as a rejection of the Socialist policies recommended by the Opposition, which argues that an independent St. Lucia could gain much in terms of economic aid and trade by closer association with the Third World grouping and the non-aligned movement.

To this Mr. Compton replies that St. Lucia's foreign policy will depend on what will best guarantee the island a continuing economic advancement. "Our total history has been bound up with the West," he explains. "We accept this, and are not interested in posturing on the world stage and dabbling in world politics."

Mr. Compton reiterated his allegiance to the Caribbean Community and Caribbean Common Market, and expressed approval of strengthening the bonds already linking the eastern Caribbean with Venezuela.

As head of a state with historical associations with France, Mr. Compton also looks forward to a close friendship with neighbouring Martinique, the principal Department de la France D'Outre-mer in this part of the world.

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Greece freezes prices

By Our Athens Correspondent

THE GREEK Government, concerned over inflationary pressures, has dcided to freeze prices of all goods and services.

A presidential decree signed by President Constantine Tsatsos froze prices of all goods at the levels of December 31, 1978.

The decree provides for prison sentences and fines.

The Government's plans to combat inflation are reported to include a price list of control the income of self-employed professionals such as doctors and lawyers, and an hourly rate of pay for such people as plumbers and electricians.

Companies will not be allowed to distribute profits in 1979 higher than last year, depreciation rates will be reduced, and housing loan credits will be restricted.

Indian GNP forecast

India's GNP is expected to increase by 3.5 per cent in the 1978-79 financial year ending in March, just under half the previous year's increase, K. K. Sharma reports from New Delhi. This is mainly because food grain production is expected to exceed only marginally the previous year's record of 125.6m tonnes.

Bhutto mercy plea

Saudi Arabia, Pakistan's closest ally has appealed to the country's military ruler, General Zia ul-Haq, to spare the life of Mr. Zulfikar Ali Bhutto, the condemned former Prime Minister, Chris Sherwell writes from Islamabad.

Canada steel probe

Mr. Warren Allmand, Canada's Consumer and Corporate Affairs Minister, who has already warned business about excessive profits, said yesterday he has asked officials in his department to analyse prices increases by steel companies and the general situation in the industry, Victor Mackie writes from Ottawa.

German surplus falls

WEST GERMANY'S trade surplus narrowed substantially in January, to DM2.1bn (£565m), after December's DM3.8bn and November's DM 3.5bn. The figure was, however, roughly in line with the DM19bn in January 1978, Adrian Dieks writes from Bonn. The January current account balance, including services and transfers as well as visible trade, was down more markedly to DM200m, from DM3bn in December.

Japan ready to consider energy-saving measures

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN is prepared to consider oil economy measures to reduce consumption by about 8m kilolitres (3 per cent) in the next year, if a consensus for such savings is reached at the International Energy Agency (IEA) board of governors' meeting.

This was stated yesterday afternoon by a senior official at the Ministry of International Trade and Industry (MITI). He added that Mr. Naohiro Amaya, director-general of MITI's Agency for Natural Resources and Energy, would be Japan's representative at the meeting.

If Japan does agree to energy saving measures, they will, it is stressed, be voluntary. They will also be designed to avoid reducing the economy's growth rate. The likely restraints include a two-degree Centigrade reduction in recommended temperatures in buildings during the winter and "voluntary restraint" on the use of private cars. Industry would not be asked to cut consumption. The Government would also continue the economies already in force in the official sector.

Japan expects to import 73m kilolitres of oil in the January-March quarter, or 2 per cent less than had originally been planned. The oil stockpile, which stood at 85 days in late January, will fall to 81 days at the end of February and 80 days at the end of March. MITI believes, however, that the stockpile will rise again in the spring and early summer because Japanese consumption usually falls at that time.

Japan expects the U.S. to make a strong demand for energy-saving measures at the IEA meeting, but is prepared to remind Washington that there could be a conflict between energy saving and the acceleration of Japan's economic growth rate—something Washington has persistently demanded as a means of reducing Japan's trade surplus.

Army barracks 'destroyed' in southern Uganda town

NAIROBI — Army barracks at the important southern Ugandan town of Masaka have been destroyed and many people have fled, residents said yesterday.

The town, about 80 miles (130 km) from the border with Tanzania on the road to Kampala, was reported by Tanzania's official Press today to have been captured by "Ugandan resistance forces."

According to the Tanzanian Government newspaper, Daily News, quoting informed Tanzanian sources, Masaka was attacked by Ugandan rebels joined by mutinous army units.

It said heavy fighting was taking place for control of Mbarara, another key southern Ugandan town, west of Masaka.

Mr. Matiya Lubega, Uganda's Minister of State for Foreign Affairs, told Reuters in Nairobi yesterday that it was quite possible Masaka had fallen. But he added it would have been captured by advancing Tanzanian forces.

Mr. Lurega is in Nairobi for a meeting of Foreign Ministers of the Organisation of African Unity (OAU).
Reuter

John Worrall adds from Nairobi: The OAU mediation committee trying to achieve a ceasefire between Uganda and Tanzania in the four months old border conflict has reported deadlock.

The Tanzanian delegation, headed by Mr Benjamin Mkapa, the Foreign minister, virtually boycotted the talks. The Tanzanian attitude is that Uganda is the aggressor and should be condemned as such by the OAU.

New Rhodesian air raid

BY TONY HAWKINS IN SALISBURY

RHODESIAN JET aircraft struck at a "large" ZIPRA guerrilla complex 20 miles west of the Zambian capital of Lusaka yesterday afternoon, Rhodesian military headquarters announced.

It was the third trans-border air raid by the Rhodesian air force in six days and the second against Mr. Joshua Nkomo's ZIPRA forces.

ZIPRA has claimed responsibility for last week's shooting down of an Air Rhodesia civilian airliner killing all 59 passengers and crew. But a Rhodesian military spokesman said yesterday that the air raid against the ZIPRA camp was not in retaliation for the Viscount attack.

The raid was part of the continuing Rhodesian strategy of carrying the war across the borders of the neighbouring territories of Zambia and Mozambique in an effort to pre-empt the expected guerrilla offensive against Rhodesia's planned one man one vote elections in April.

UK NEWS

Housing stock rises by 1¼m in England

BY MICHAEL CASSELL

ENGLAND'S HOUSING stock increased by 1¼m between 1971 and the end of 1977, according to the National Dwelling and Housing Survey published yesterday by the Government.

A comprehensive and detailed picture of the current housing situation, the survey was taken at the end of 1977 and early 1978 and is the first of its kind since the last population census eight years ago.

Apart from providing housing stock figures, the number of shared homes and vacant properties, statistics are included which show, for example, how many households in Harrow share hot water or how many people in Humberside have use of an inside flush toilet.

Surplus

The survey shows that the total number of homes in England reached 17.22m by the end of 1977 against 15.9m in April 1971, and 729,000 properties represented vacant or second homes.

According to the survey, while the number of homes rose over the period, the number of households increased by an estimated 1m to 16.8m, leaving a surplus of 400,000 properties.

The survey shows that each region now has a surplus of homes over households. The number of households lacking exclusive use of at least one basic amenity, it says, has halved since 1971 to 1.4m. Many of the households which lack exclusive use of a bath or shower, inside lavatory or hot water supply do have shared use of such amenities.

The number of households with more than one person per room has fallen from 711,000 to 438,000, says the survey.

The report estimates that the number of owner-occupied properties by the end of 1977 stood at 9.6m, a rise of 1.3m since 1971 and representing 54 per cent of households. Only 31 per cent of the privately owned stock was, however, being purchased with a mortgage or loan.

The number of homes rented from local authorities increased from 4.5m in 1971 to 5.1m (30 per cent of all households) while another 2.2m homes involved private rentals (15 per cent of all households).

According to the survey, based on interviews at 90,000 addresses throughout England, nearly half of West Indian households rented from councils or housing associations, as against a third of white households and only a tenth of Indian, Pakistani and Bangladeshi families.

The survey suggests that four out of five households are satisfied with their accommodation and the area in which they live.

National Dwelling and Housing Survey. HMSO £8.50.

Survey looks at teenage drinkers

By Our Consumer Affairs Correspondent

THE PRESSURES behind the growth in teenagers' drink problems, which is seriously worrying the major brewers and spirits producers, are spelt out in a new survey published today.

This survey, by the Research Associates market research company, says that young people are under particularly strong pressures to start drinking at an early age. The survey report points out that pubs provide an exciting place for young people to get away from adult supervision. And once in a pub, young people are under great pressure to drink.

The findings were based on group discussions among people aged between 16 and 24 as well as a national poll of 800 young people. The survey found that while almost a third of young people claim to spend nothing on drink, about one in five spent £4 per week or more. Martini appeared to be the most frequently remembered brand from its advertisements.

The report's authors suggest that young people see society's attitude towards drink as hypocritical. "On the one hand society says they must not drink until a certain age; on the other hand they see parents accepting drink as a normal part of life."

In addition, the report suggests that the "non-drinker is still regarded as an oddity, if not a figure of fun." Thus young people are put under more pressure to conform and start drinking, even below the legal age limit of 18.

The report also suggests that to alleviate the problem parents and the media should try to "denormalise" drinking, or consideration should be given to lowering or abolishing the age limit. Youth clubs and sports centres could also offer over 16's some milder forms of alcohol, the authors suggest, to lessen the attraction of pub drinking.

"How young people form their drinking habits and choose brands," from Research Associates, The Radfords, Stone, Staffordshire, price £125.

Ashley Ashwood

Brokers scramble with slightly more dignity for first dealings in new gilt-edged stocks at the Stock Exchange yesterday. On Thursday scuffling broke out at The Bank of England where the shutters were put up on aapplications for the new stocks.

Managers 'should join pay forum'

BY JAMES McDONALD

MANAGERS were entitled to join the tripartite forum of industry, unions and government, proposed by the Government for annual discussion of the economic background for pay prospects, Mr. Roy Close, director-general of the British Institute of Management, said in Sheffield last night.

By its late acceptance of the need to set up such a forum the Government might be in danger of missing another opportunity to involve representatives of managers and professional people in matters that affected them, Mr. Close told the annual dinner of the Institution of Plant Engineers.

The proposed forum would comprise the Government, trade unions and the Confederation of British Industry. The institute had long advocated such a forum.

The institute was one of the few organisations, Mr. Close said, to press for a procedure or organisation to examine, explain and pass judgment on the problems of anomalies, relativities and differentials.

"Our recommendations on those essential measures were the result of careful thought, discussion and consultation. It is tragic to see them emerging as part of a crisis package drawn up between the Government and the unions.

Furious

"If they are to play their proper part they must be seen to be supported and based on the opinions of a wider group of interested people, not just Government and unions nor the conventional tripartite pattern. Understanding and commitment to the issues involved means involving the representatives of managers."

Mr. Close said managers were furious at the uproar over Prince Charles's speech on management this week. "The Prime Minister talks about failures of consultation and communication," he said, referring to remarks in the Commons on Thursday. "Yet at the same time he forgets the failure of his own Government to consult with managers

Motor-cycle sales drop 20%

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

WITH THE worst January weather since 1963 motor-cycle sales dropped more than 20 per cent compared with the same month last year, according to Department of Transport figures.

Sales of bigger motor-cycles were most affected with a fall of 27.3 per cent in sales of two wheelers over 50 cc, from 10,355 in January last year to 7,526.

There was a 10.3 per cent increase in sales of mopeds of under 50 cc on the January, 1978 total of 2,388 to 2,634. Total sales of two wheelers this January were 10,160 against 12,743 last year.

Mr. Hugh Palin, president of the Institute of Motorcycling, said: "Nobody is greatly surprised if motor-cycle sales fall sharply when there is ice and snow on the ground.

"Those with experience of world markets will realise that sales virtually come to a standstill when the weather is particularly bad.

"However, in this difficult economic period the moped is coming into its own as the cheapest form of motorised transport available."

● The UK prices of the Czech-built Skoda cars have been increased by 8 to 10 per cent. But the importers claim that the Super Estelle 105S, up from £1,699 to £1,850, "is now the lowest-priced four-door saloon and the lowest-priced four-cylinder car sold in Britain."

Other increases include the Super Estelle 120LS, up from £2,099 to £2,299, and the Skoda 110R coupe up from £1,749 to £1,899.

UK colour TV sales slip

BY MAX WILKINSON

BRITISH manufacturers' share of the domestic colour television market slipped slightly last year to 79 per cent of deliveries.

Figures from the British Radio Equipment Manufacturers' Association show that UK sales of colour television sets increased by 6 per cent over sales in 1977 to a total of 1,736.

UK manufacturers' share of the market for black and white sets improved slightly from 49 per cent of the 1.04m total sales (sets) in 1977 to 54 per cent of the 1.27m sets sold last year. As a result, UK deliveries showed a 35 per cent increase to 687,000 units in 1978.

The domestic manufacturers' share of the 4.3m portable radios sold in the UK last year fell further to only 6 per cent, while their share of the 3.6m other radios, combined with tape or turntable, fell to 14 per cent.

The association comments: "Overall, the level of demand for audio and video products in 1978 shows some improvement against 1977, though part of the increase simply reflects the wider range of audio and video products available to the consumer.

"A number of products, notably colour television, failed to reach the levels of consumer sales that had been anticipated."

Food wholesaler's sales rise by 32% despite price battle

MAKRO, the Dutch-based food wholesaler is continuing to do well by supplying Britain's small shops and stores. Sales rose last year by 32 per cent to £178m from the 1977 figure of £134.4m.

The group, which has its UK headquarters in Manchester, and operates a number of wholesale centres, says its share of cash and carry business—estimated at just under £2bn in 1978—has risen from 7.5 per cent in 1977 to 9 per cent. Although the high street price battle between the main supermarket groups is making life difficult for small shops and the wholesale groups that supply them, Makro says it is confident of further growth this year.

Expansion by the group in the past year has included a new Glasgow centre. Later this year a 20,000-sq-ft extension to the group's Newcastle centre will be opened. A second store in London, on a site near the A40 near Willesden, is to open next year. Another store is planned in the South Yorkshire/East Midlands area.

The company's plans were announced yesterday at its Kirkby store in Liverpool. The 147,000-sq-ft centre draws about 15,000 trade customers each week, some from as far away as Northern Ireland and Wales. The store will be further promoted through local press advertising, competitions, personal appearances and special price offers.

The group's warehouses can stock up to 25,000 different lines and have parking for up to 1,000 cars. Customers, who must be traders, are informed of latest offers fortnightly.

Hong Kong rail trail opened for first time in 30 years

TWENTY TRAVELLERS will leave London's Victoria Station on Tuesday on an Inter-City rail journey which will make the Orient Express seem like an Awayday.

Forty days and 9,300 miles later, they are due to arrive at Hong Kong station, after travelling through Europe, the Soviet Union and China.

The 20 will be pioneers on the London-Hong Kong rail tour organised by Sunquest, a travel company.

They will be the first group to attempt the journey since the formation 30 years ago of the People's Republic of China.

Response to the £1,800 trip, which includes return to London by air, has encouraged Sunquest to plan a second journey in October, and more next year.

British Rail is planning a champagne breakfast and a pipe-band send-off before passengers board the boat train for Dover on the first 90-minute leg of their journey.

They will then go from Calais to Paris; on to Moscow aboard the Ost-West express, across the Soviet Union on the Trans-Siberian Railway; and to Hong Kong via Ulan Bator, Peking, Nanking, Shanghai and Canton.

The travellers will have a break from rail travel, however. There are 14 overnight stops planned in such cities as Berlin, Warsaw, Moscow, Peking and Shanghai.

Sunquest said: "We want to bring the romance back to travel.

Bill to curb licensing welcomed

By John Hunt

A private members' Bill which tightens the law on licences for wine bars and clubs received an unopposed second reading in the Commons yesterday.

The Licensing (Amendment) Bill, put forward by Mr. Neville Trotter (C, Tynemouth), was welcomed by the Government, the Opposition, and MPs on both sides of the House. It now stands every chance of becoming law.

The Bill amends the 1964 Licensing Act in relation to the granting of special hours certificates and the extension of existing licences to additional types of drink.

One of the anomalies in the present Act enables wine bar owners who have a limited licence to acquire a full licence and turn their premises into a public house, the Commons was told. The amending Bill would close that loophole.

● More people will be entitled to claim mobility allowance from March 7. Mr. Alfred Morris, Under-Secretary of State (Disabled), said yesterday in a Commons written reply.

He said the upper age limit would be raised from 58 to 60 which means an extra 3,000 people may receive the £10 weekly alowance. Further extensions of the scheme are planned by the end of the yeer.

Government sets spending limits

CASH LIMITS on public spending for the next financial year are being set at levels intended to reinforce the Government's monetary and borrowing objectives, Mr. Joel Barnett, the Chief Secretary to the Treasury, said yesterday.

In a Parliamentary written answer to Mr. Ian Wrigglesworth, the Labour MP for Teesside Thornaby, about the policy for 1979-80, Mr. Barnett said: "The Government proposes to set and operate cash limits for the year ahead so that they support the observance of the Government's monetary targets and a public sector borrowing requirement for 1979-80 in line with the projection in the recent public expenditure White Paper (Command 7439 published last month).

"In respect of prices, the cash limits for both central and local government will provide for price increases as in the Industry Act forecast published last November, which, consistent with the guidelines in the Government's counter inflation White Paper Command 7293, implied a retail price index 8¼ per cent higher in the fourth quarter of 1979 than in the fourth quarter of 1978. The Government do not intend to increase cash limits to accommodate any higher price increases.

"In respect of pay, the cash limits will be set in accordance with the policy stated in Command 7293, together with the £3.50 underpinning subsequently announced. The Government will review each case as settlements are reached. Certain adjustments may be necesary, but for central Government expenditure on manpower the general principle will be that a substantial proportion of any excess cost above the provision already made will have to be absorbed within the existing cash limit.

"Local authority settlements are covered by the cash limits on Rate Support Grant. It has been agreed that the cash limits should be increased in respect of the Government's contribution to the offer made to the manual workers. Whether the Government make any further contribution in respect of other settlements will depend on the circumstances of each case, but in no such circumstances will the Government contribute more than their standard share of local authority current expenditure.

"For nationalised industries, the Government's policy is that external financing should be contained within the aggregate provision in Command 7439 (the Expenditure White Paper)."

Top speakers for conference

AMONG the speakers at the annual conference on March 5 of the Institute of Credit Management will be Sir Keith Joseph, the Opposition industry spokesman.

Other speakers at the Hilton Hotel, Mayfair, will include Sir Geoffrey Howe, Shadow Chancellor of the Exchequer, Sir Derek Ezra, the Coal Board chairman, Mrs. Judith Hart, Minister for Overseas Development, Mrs. Jill Knight, Labour MP for Edgbaston and Mr. Joe Gormley, president of the National Union of Mineworkers.

Wheal Jane rescue plans advance

BY PAUL CHEESERIGHT

PLANS for the rescue of the failed Wheal Jane tin mine in Cornwall have advanced decisively with what is believed to be a decision in principle by Engelhard Minerals and Chemicals of New York to advance a loan of £1m.

Engelhard's move is the first success for Mr. Robert L. Sprinkel in his search for support by an established mining group. Since the beginning of the year he has tried to interest a number of groups in Wheal Jane, and his discussions continue.

The backing of two mining groups will lead, it is believed, to City institutions following verbal commitments to provide a further £1m with definite agreements.

Although Mr. Sprinkel's mining plans and estimates of the economic viability of Wheal Jane have been exhaustively perused and widely accepted there have been reservations both in the City and in Government circles about making definite commitments to his company. It is felt that an untried management team needs the backing of groups experienced in mining and metallurgy.

Security

The possible alignment of Engelhard with Carnon, which follows two weeks of work by geologists and ore samplers at the time, provides at least part of the security demanded by the City and the Government.

The Government has made no secret of its desire to see Wheal Jane reopened, if necessary with the help of public funds, ever since Consolidated Gold Fields, the present owners, stopped production last May.

The mine's future has been discussed at the Industrial Development Advisory Board, but any decision on providing Government money beyond what is being spent on pumping to keep the mine dry has been deferred while Mr. Sprinkel gathers private sector support.

It is now clear that the Government will be asked to provide about £4m, possibly in loans, out of the £8m package Mr. Sprinkel is trying to assemble.

Gold Fields has agreed to dispose of the mine to Mr. Sprinkel for less than £2m and has already written off its losses. Its argument for withdrawal was that there was too little tin and too much water.

That assessment has been contested by Mr. Sprinkel, an American entrepreneur, who contends that Gold Fields' problems at Wheal Jane related to management and mining technique rather than shortage of ore.

He became involved with Wheal Jane after the Government had failed to agree terms with Gold Fields for keeping open the mine and after companies like Saint Piran had toyed with the idea of taking it over.

The Government has been hoping for some weeks that Mr. Sprinkel would be able to push his plans ahead quickly enough for the mine's problem to be resolved by the end of this month. The middle of March would now seem a more likely date if the other pieces of Mr. Sprinkel's puzzle fall into place.

Behind the Government's desire to speed up proceedings has been the level of unemployment in Cornwall. The closure of Wheal Jane, preceded by the failure of the neighbouring Mount Wellington tin mine, lost the Truro area more than 700 jobs at a time when local unemployment was running at twice the national average.

The Mount Wellington jobs have gone for good, but if Mr. Sprinkel starts up at Wheal Jane, about 400 people could be employed there.

UK NEWS

LABOUR NEWS

John Lewis cancels Sutton site option

BY MICHAEL CASSELL

THE £40m TOWN centre development plan for Sutton, Surrey, has received an early set-back with a decision by the John Lewis Partnership to withdraw from the scheme.

The company had signed a deed of intent with the London Borough of Sutton, one of the three partners in the project, to *occupy the development's major* department store.

It announced yesterday, however, that it had decided instead on an alternative location in the central shopping area of Kingston. A spokesman for John Lewis said that the decision represented an "extremely disappointing" outcome to the lengthy negotiations over the proposed Sutton development.

A major factor in the decision was the uncertain timing of the Sutton scheme and the earlier availability of the site in Kingston. The company also *pointed out yesterday, however,* that plans for pedestrianisation in the locality of the store had not been finalised and that the store might not have adequate visual frontage on to the High Street.

The Kingston store will be located on the two-acre Horsefair site next to Kingston Bridge and should be ready for trading by the mid-1980s. It will be about the same size as the company's Peter Jones store in central London.

Partners in the Sutton development scheme, together with the borough council, are Capital and Counties Property and they are expected to be joined by a major pension fund, which has been involved in discussions for some time. No terms for the funding of the project have yet been agreed.

Capital and Counties said yesterday that it regretted the John Lewis decision not to take space, as their involvement "would have been good for the development," but it recognised the attractiveness of a free-standing store in Kingston, which might offer an earlier operational date.

Mr. R. I. Northen, a director of C and C, said that the development would proceed and that compulsory purchase orders had recently been made. Work had not yet started but, once under way, was expected to take about five years.

Plans for including the department store in the scheme *will go ahead, although it might* now be slightly smaller than originally planned. The development scheme is expected to provide between 300,000 and 400,000 sq ft of shopping space.

Mr. Northen said the developers were satisfied that, bearing in mind the interest already shown by retailers, they would have little difficulty in attracting another department store operator to Sutton. He said they were not yet negotiating with retailers for the scheme but that some had already made "tentative reservations."

Confidence vote may follow referendum

BY ELINOR GOODMAN, LOBBY STAFF

CONSERVATIVE BUSINESS managers are preparing the ground for what they hope will be a final attack on the Government within two weeks of next Friday's referendum results. If *there is a decisive vote either* way, then the Tories are likely to put down a vote of confidence early next month.

They believe that with the help of the minority parties, they may be able to bring down the Government either if the vote in favour of devolution meets the 40 per cent target, or if, as seems less likely in Scotland, the electorate gives a resounding thumbs down to the whole idea of devolution.

The mathematics of defeating the Government in the Commons is very finely balanced, and will hinge on how half-a-dozen or so members of the minority parties vote. In the past few days the Conservative Whips have been increasing their contacts with the Ulster Unionists who could well hold the balance.

For the past few months, the Shadow Cabinet has taken the view that there is no point in putting down votes of confidence unless there is a real chance of winning them. After sounding out the minority parties this week, the Tory Whips believe they could bring down the Government as long as the Scottish poll produces a clear result and the industrial situation does not suddenly show a *miraculous improvement.* They argue that if the referendum produces an overwhelming Yes vote in Scotland, the Scottish Nationalist Party will have nothing to gain from propping up the Government since the Conservatives are also pledged to honouring a 40 per cent vote in favour of the Assembly.

The worst scenario, from the Conservative point of view, would be if the Scottish vote in favour of devolution did not meet the requirement that 40 per cent of the electorate should endorse the proposed assembly. The Government would be obliged to introduce an order annulling the legislation setting up the Assembly but could keep the SNP on its side by promising to advise Labour MPs against supporting the order.

In this situation, the Conservatives look like calling the Government's bluff. If the Government does not lay an order within a few weeks of the result, the Tories may well force the issue by using one of the days allotted to it to discuss devolution.

UK trunk route air fares could rise 6%

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS and British Caledonian Airways are seeking permission to raise fares on the UK trunk routes between London and Glasgow, Edinburgh and Belfast, from May 1.

If granted, the increases would increase the single fare between Heathrow or Gatwick and the main provincial cities by £2, or about 6 per cent, to £37.

British Caledonian is also *asking for rises of £1.70,* from £24.30 to £26, in the London-Manchester single fare, from £19 to £20 in the London-Birmingham single rate, and from £15 to £16 in the Glasgow-Newcastle single fare.

A public hearing into the applications will be held by the Civil Aviation Authority in London on Tuesday.

Mr. Alastair Pugh, managing director of British Caledonian, said the airline sought the rises "with great regret. We cannot continue to absorb the substantial cost increases we are having to bear."

British Caledonian had tried to hold down fares until next winter "but the more we studied the figures, the more convinced we became that the increased costs, most of which are beyond our control, would compel us to seek further fare increases."

The airline is also seeking to extend the availability of its off-peak discount fares to seven days a week. These fares give a saving of up to 40 per cent on normal fares.

"We were originally allowed to offer the lower fare until the end of March, but have successfully applied for approval to make the off-peak fares available, at least until the end of this year," said Mr. Pugh.

● British Airways is ending its bus service between the West London Air Terminal in Cromwell Road and Heathrow, from April 1, to cut loses by up to £800,000 a year. From that date, all the airline's buses to Heathrow from Central London will use Victoria Air Terminal.

The airline says that, since the Underground railway extension into Heathrow began operating in December, 1977, the Cromwell Road bus passenger traffic has dropped by more than 60 per cent, while the numbers using the Victoria buses are down by 40 per cent.

The Victoria buses have been losing up to £250,000 a year, bringing total annual losses on the two services to more than £1m. British Airways believes that at least one bus service is necessary, but no longer accepts the need for the Cromwell Road service.

Research director appointed at GEC

By David Fishlock, Science Editor

MR. DEREK ROBERTS, a senior Plessey executive, is joining GEC this spring as its director of research, GEC confirmed yesterday.

Mr. Roberts, aged 47, will be responsible for the Hirst Research Centre at Wembley, one of the biggest electrical research laboratories in Britain. He will report to Mr. Robert Clayton, board member for technology, who took on the direction of the centre 15 months ago.

Mr. Roberts will also help to formulate group research policy for GEC.

Until recently he was managing director of Plessey's micro-*electronics division and responsible* for the group's central research effort. He joined Plessey on leaving university, more than 25 years ago.

He is an articulate speaker on technical developments in the fields of electronics, and a member of several national committees.

Computer phone order for Plessey

By Max Wilkinson

PLESSEY Telecommunications has been awarded the first production contract for the Post Office's small computer-controlled automatic telephone exchange.

The unit, called the Customer Digital Switching System No. 1, has up to 28 external lines and between 30 to 100 extensions. Plessey says it expects total sales of the exchange to be worth £30m a year by the early 1980s.

The system was designed by the Post Office, which placed a joint development contract with Plessey and the General Electric Company, with Plessey as the prime contractor.

Plessey expects to start full-scale production of the new exchanges at its Beeston factory later this year.

The system offers a variety of features and, unlike the electro-mechanical exchanges, which it replaces, it has no moving parts. Calls are directed by touch-sensitive keys and a visual display unit on a console shows control information to the operator.

Bass and Whitbread price rises rejected

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

BASS AND WHITBREAD are the first companies to be refused an interim price rise by the Price Commission since the safeguard regulations, which granted automatic price increases, were abolished last week.

Bass and Whitbread's original application for a 3p per pint price rise had been turned down by the Commission in spite of similar rises granted to other major brewers.

The Commission's decision means a three-month delay for an investigation of the proposed rises. The two companies had sought interim price rises which can still be granted at the Commission's discretion.

The Commission, however, has so far decided not to allow any *interim rises,* but has asked the brewers to give more information on their need for price increases.

This is seen by the industry as little more than a delaying move by the Commission, since it is argued that it has already had enough data from all the brewers to decide whether a price rise is justified.

The 3p per pint price rise implemented by the other brewers has been split about evenly between the breweries and the licensed outlets to cover the industry's increased labour, raw material and other costs over the past year.

The increases so far granted cover at least 65 per cent of the trade. This could be higher if tenants of Bass and Whitbread public houses decide unilaterally to increase prices by 3p per pint. Landlords of managed pubs have to adhere to the companies' prices.

However, *it is possible* that the two brewers will be granted at least a partial interim increase

Factory closures will cost 700 Smedley jobs

BY LISA WOOD

SMEDLEY-HP, FOODS, will close its canning factory at Blairgowrie, near Perth, in April, with the *loss of more than 340* jobs.

The company will also close its cannery at Faversham, Kent, which employs 388 workers, at the end of May.

Smedley-HP blamed the closure of the Scottish factory on over-supply in the canning industry and severe competition in the high street, which has led to deep price cutting in shops, reducing profit margins for many food manufacturers. It said overheads had to be drastically reduced, and production would be concentrated at its four remaining canning factories in the UK.

In 1977-78 Smedley-HP made a loss of £200,000 on its canning and bottling activities. In 1976-*1977 it made a profit of £3m.*

Mr. Douglas Crawford, MP (SNP Perth and East Perthshire), has joined local councillors in the attempt to keep the factory open. He said: "This is a body-blow to Blairgowrie, but it is just another example of what happens when decisions are taken about industry in Scotland a long way from Scotland.

"About 35 to 40 per cent of the population of Blairgowrie will be indirectly and directly affected by this decision. But I am hopeful that these jobs can be saved."

London Transport shows surplus of £4m

BY LYNTON McLAIN

LONDON Transport made a surplus of £4m last year after lower operating expenditure for buses, changes in accounting and a rise in the revenue from property, advertising and consultancy.

The bus service operated 7.5 per cent fewer miles than had been planned, but carried only 1.2 per cent fewer passengers.

Thet net effect was a £5.4m reduction in expenditure. This accounted for almost half the £13m reduction in the expected deficit of £9m which was forecast for last year. Passenger traffic on the Underground rose by 1.3 per cent above forecast.

The report of last year's operations will be considered by the Greater London Council's London Transport Committee on Monday.

Productivity too low—Morse

BY MICHAEL LAFFERTY

SIR JEREMY MORSE, chairman of Lloyds Bank, last night warned bankers about the dangers of inflation, low productivity and increasing public expenditure.

He said Britain's economic problems had three main facets.

"Much the more fundamental is our generally low productivity—the inefficient use of all resources—in comparison with other major countries, from which comes low "investment and low wages." The result was a lack of international competitiveness, and this was what the industrial strategy aimed to improve.

The second facet was "the relentless growth in the public sector with its accompanying burden of taxation."

Sir Jeremy told the Institute of Bankers that this was something the UK shared with all major countries except Japan. But, in the UK, it was threatening the balance of the mixed economy.

"If the Government is maintained in office at the General Election, it is vital that there should be no return to the collectivist policies of 1974-75. If the Opposition comes into power, they must set about their declared aim of containing the public sector in a way that will not provoke a subsequent reaction. The time horizon of business has to exceed, by many years, that of individual governments."

The third facet of the *country's problem* "is a tendency to a higher inflation rate than the average of the major countries," Sir Jeremy said.

Unless there was a rapid cooling of pay rises, and the new "concordat," or something like it, could be made to stick, the UK would find itself next year "with inflation in the teens and another dose of the medicine that we had to take in 1976 and 1977."

Lonrho figures may be checked

By Michael Lafferty

SECRETARIAT members of the English Institute of Chartered Accountants are recommending the establishment of a panel of accountants to review the latest accounts of Lonrho.

The decision follows criticism of some of the accounting policies followed by Lonrho in the 1978 accounts. The secretariat recommendation has gone to Mr. Martin Harris, chairman of the institute's professional standards committee and former director-general of the Takeover Panel. He said that he plans to make a decision next week after examining the Lonrho accounts.

If Mr. Harris accepts the recommendation, a panel, or "trio" of senior accountants will be formed to examine the Lonhro accounts. Mr. Paddy *Moore, secretary of the* institute's professional standards committee, says the recommendation to review the accounts is "routine."

Standards

Reviews are normally carried out on all accounts which depart from accounting standards, or where there are criticisms of the accounts from shareholders or in the Press. Mr. Moore said that no complaint had been made to the institute about the Lonhro accounts and that as many as 30 reviews could be going on at a time.

About a dozen sets of company accounts were currently being reviewed, Mr. Harris said.

The institute's decision to have a look at the Lonrho accounts arose from the company's decision to depart from the accounting standard on associated companies and criticism of some other accounting policies in the Press, Mr. Moore said.

Reviews of accounts by the institute's professional standards committee are not known to have resulted in public statements by the institute up to now. According to Mr. Harris, the institute often works behind the scenes, but it could issue public statements in exceptional circumstances.

Lonrho said yesterday that it did not have enough time to comment on the secretariat's recommendation. Earlier, Mr. Basil West, the company's finance director, had said that the accounts were of interest to the institute "only on certain technical points."

Radioactive leak at Windscale

By Maurice Samuelson

RADIOACTIVITY has been found on the grass on both sides of the perimeter fence at the Windscale nuclear establishment, similar to traces found two years ago.

British Nuclear Fuels said last night that the spots of radioactivity, confirmed as particles of ruthenium 106, were "very minute." They were not a hazard to workers at the site nor to the public.

The particles, apparently deposited from the plant's chimneys, were first found on grass inside the perimeter last Friday. Subsequently similar particles were found outside the fence "with frequency reducing quickly with distance."

The incident was reported to the Nuclear Installations Inspectorate, the Departments of Energy and Environment, the Agriculture Ministry and local representatives and union officials.

British Nuclear Fuels said: "An investigation is in progress to try to establish the source of the radioactive material. The level of activity of the spots is very similar to that found in an earlier occurrence in March, 1977.

"Although the area affected outside the works boundary is much smaller, on that occasion it was confirmed by the National Radiological Protection Board that the contamination did not constitute a hazard."

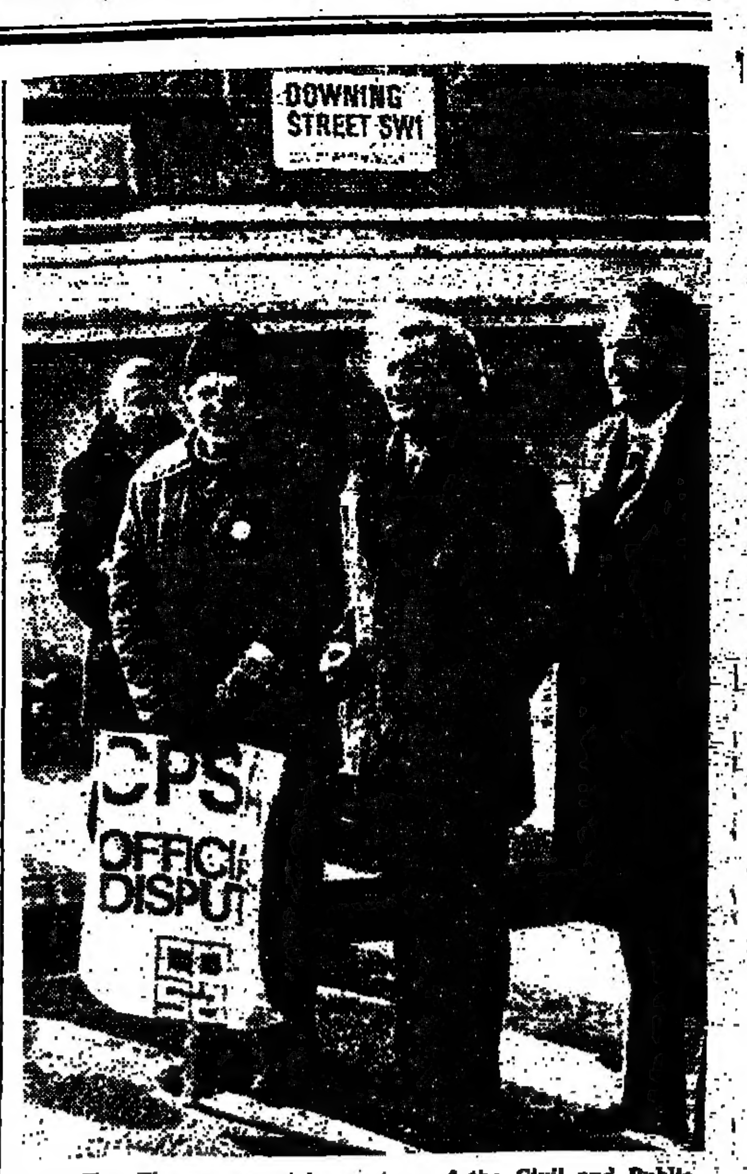
Flood damage fund in York

THE city of York, which suffered severe flooding last December, is extending its appeal for funds beyond the area in order to raise the £250,000 needed to repair the damage.

The Lord Mayor's initial fund now stands at £65,000. About 600 homes were flooded after the River Ouse burst its banks. Snow and blizzards have since added to the problems.

Conference on clothing

WEATHERPROOF clothing needed for survival in the outdoors is the subject of a conference at WIRA the Leeds textile research centre on Tuesday March 27.



Mr. Ken Thomas, general secretary of the Civil and Public Services Association (centre) with Mr. Ken Lever, the union's president, on his left, in Downing Street yesterday during the civil servants' one-day strike.

Offer of 8% boosts hopes of steel settlement

BY PHILIP BASSETT, LABOUR STAFF

THE BRITISH Steel Corporation yesterday increased its pay offer to the biggest steel union to 8 per cent.

Negotiations on the offer will resume on Thursday, and Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation, said the talks were now reaching a stage where the prospect of a settlement looked more hopeful.

The Corporation said before yesterday's talks started that it could not afford to improve its 5 per cent offer in reply to the union's claim for increases of 8 per cent, with payment of 4½ per cent for past productivity, and further claims for extra holidays and a shorter working week.

Mr. Sirs indicated that some of the increases in the 8 per cent offer might stem from productivity.

The offer has neither been accepted nor rejected by the union side, which represents 90,000 steelworkers, although there are areas of agreement between the union and the Corporation.

The Corporation's increased offer will have taken into account its serious financial position and its insistence that it is subject to tight Government restrictions.

After the last round of talks with the Corporation, Mr. Sirs insisted that arbitration seemed the only way out of the impasse and tried to put the position to the Advisory, Conciliation and Arbitration Service. ACAS refused to intervene because negotiations were still in progress.

Leaders of 30,000 craftsmen in the industry will meet the Corporation on Monday for another round of talks, which are expected to examine a draft document from the Corporation on which it would be prepared to negotiate a productivity deal.

Manual workers strike at computer plants

BY OUR LABOUR STAFF

INTERNATIONAL Computers, Britain's leading computer company, has been hit by industrial action over a pay claim at its manufacturing plants.

Manual workers at the company's Letchworth and Stevenage plants have been on strike for nearly two weeks. The company said 1,339 were out at Letchworth and 68 at Stevenage. There have also been stoppages of one day or longer in the northern manufacturing division, which takes in plants at Kidsgrove, Dukinfield, Bradwell Wood and Winsford, Cheshire.

The unions are claiming a 15 per cent pay rise. The company said it had offered 5 per cent—or a cash increase of £3.50 a week if that is higher, in line with the Government's recent concession. It has also offered changes in a self-financing *productivity scheme* which it says would increase the size of the payments.

The company said the scheme was worth 11 per cent last year.

Judge upholds ACAS on union questionnaire

A QUESTIONNAIRE used by the arbitration service ACAS to obtain workers' views on union *recognition was* cleared by a High Court judge yesterday of allegations that its wording was "yes" biased.

National Employers Life Assurance Company had sought to overturn a recommendation by ACAS—the Advisory, Conciliation and Arbitration Service—that the company should recognise Mr. Clive Jenkins' white-collar union ASTMS as representing about 280 clerical and administrative staff at its Dorking, Surrey, headquarters.

The recommendation followed a poll of the company's staff, *who returned* a substantial majority in favour of recognition.

The company—a subsidiary of National Employers Mutual—asked Mr. Justice Browne-Wilkinson to declare the recommendation void on the ground that the questionnaire contained an element of "yea-say"—a tendency to elicit an affirmative answer.

But the judge said he was satisfied ACAS had regard for the need for its questionnaire to be unbiased and had not reached an unreasonable conclusion.

He accepted that, when only one union was seeking recognition, it was inevitable that only that union would be named in the questionnaire. This would not distort the response.

The judge described the company's action as "misconceived." He accepted expert evidence from ACAS that its questionnaire format was proper.

He hoped no other organisation would now seek to challenge the use by ACAS of its poll format. Subject to any new evidence, he would be prepared to "strike out" any future claims based on the argument that the questionnaire was unreasonable.

Computer workers vote to continue stoppage

COMPUTER workers in Hertfordshire have voted to stay on strike. A meeting of about 1,600 International Computers (ICL) strikers in North Herts voted yesterday to continue their two-week-old pay strike, and to strengthen the picket line outside the computer company's factories in Letchworth Garden City and Stevenage.

The company had offered a package deal including the possibility of a self-financing productivity scheme and job evaluation and 5 per cent on basic rates.

Six unions are involved and all the hourly-paid workers at the factories in Letchworth and the packing and transport centre in Stevenage are on strike.

THE WEEK IN THE MARKETS

The gilts brigade charges; trouble at t'Bank

Huge institutional funds had been holding back from full-scale commitment to the gilt-edged market for months on the belief that it had further to fall. So when the market rallied after the latest increase in Minimum Lending Rate on February 8, the fund managers became very fidgety—was this simply a technical rally from a highly oversold position or was it the bottom of the market? Increasing evidence of overseas interest in the market and a steady price advance last week left the institutions with no option: they could not stay out of the market any longer. The result has been that this week a technical adjustment in the market has turned into a bull run.

The prices of the two new tap stocks had been fixed last week,

LONDON

ONLOOKER

in line with the market as it then was. So by Thursday morning, when applications were due, they were ludicrously cheap, and over-subscription was a formality. What was not a formality were the undignified scenes at the Bank of England as latecomers found themselves unable to lodge their applications for stock. This put unsuccessful brokers in an impossible and crippingly expensive position—their failure to lodge application forms deprived their clients of the £3/£4 premium at which the partly-paid stocks traded yesterday, a premium exaggerated by these brokers' attempts to buy the stock in the market. Other long-dated stocks are £4 higher or more on the week as a whole and MLR could fall whenever the authorities pleased.

An intelligent Martian would have concluded from the scenes at the Bank that something was being given away for nothing. Be that as it may, funding has been wrapped up well into the 1979/80 financial year and the money supply is back under official control. A budget is coming on April 3 and the gilt market is expecting to be pleased with it. Nothing could be better—as long as you happened to get stock on Thursday.

ICI and naphtha

Although gilts dominated during the week, equities remained in good form and dull profits from ICI were received with remarkable aplomb. Sellers were conspicuous by their absence on Thursday, to the disappointment of buyers who had been hoping to pick up some cheap shares.

The annual results in themselves showed a 12½ per cent pre-tax fall to £421m, net of exchange losses. The fourth quarter was only marginally better than the third and with exchange problems impinging once again, pre-tax profits reached only £87m. Of far more importance is the outcome of the current year when raw material prices have soared to record levels and the chemical manufacturers, following in their wake, are seeking to make price increases stick.

A year ago, naphtha was selling at $120 per ton. Contract prices were fixed at $195 at the end of the fourth quarter and since this essential feedstock is in desperately short supply, the Iranian crisis has been sufficient to drive the spot price up to $300. Few see naphtha prices dropping back below $250 again even if Iran comes back on to full-stream production.

ICI and its peers posted 30 per cent price increases for naphtha-related products at the end of last year and followed these with a further 10 per cent in January. Two weeks ago, another 40 per cent increase was tabled and the industry is waiting apprehensively to see whether the latest massive adjustment will run into customer resistance. That is no small threat given current refinery throughputs of around 65-70 per cent. Any resistance will seriously jeopardise the market's ambitious forecasts which are reaching as far as £650m pre-tax in some cases for the current year. Those targets also make no allowance for any dumping from the U.S. and Eastern Europe, the three month time lag before margins respond to price increases and any difficulty with the second quarter wage negotiations. But the shares ran up from 342p to 390p in the account ended yesterday.

Textiles disappoint

Results last week from Carrington Viyella, 49 per cent owned by ICI, will have raised few cheers along Millbank. The textile group failed to recover from the first half downturn and profits overall fell by a tenth to £14.5m before tax and exchange adjustments.

The first half, of course, was always going to compare badly with the exceptionally buoyant corresponding period of 1977 and the second six months did contain many good features. Chief among these were the improvements in the garment and household textiles divisions and a 14 per cent rise in exports to Europe.

For the current year, the carpet business should recover from the effects of six weeks' lost production at the Donaghadee printed carpets operation and demand from the important vehicle seat fabric market should pick up after the eight week Ford dispute last autumn. The costs of recent reorganisation must now be on a downward path.

But, while Carrington Viyella should pick up quickly after a difficult month of snow and transport problems, more deep-seated anxieties remain. Synthetic fibre prices are rising to add to the group's working capital requirements and there is no immediate sign that the level of import penetration is about to diminish.

The rise in consumers' expenditure has not fed back up the pipeline to the woven side as much as hoped, and, in any case, investors should now ask themselves whether or not consumer spending has peaked.

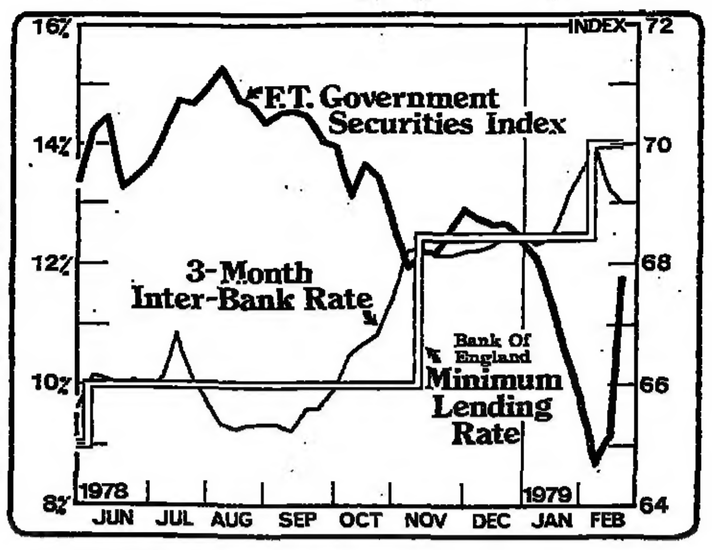
Barclays bonanza

Two down and two to go. Following Lloyds 10 per cent rise in annual profits last week, Barclays, Britain's biggest bank, announced a 27 per cent rise in pre-tax profits to £373m. Indeed, if it had not restated the previous year's figures, because of accounting changes, Barclays' profits would have been well over 40 per cent higher.

Both Barclays and Lloyds have big international operations, unlike the other two clearing banks, and both of them have been finding the going tougher on this side of their business. Fortunately, Barclays has a wholly-owned finance house, Mercantile Credit, which boosted its profits by £15m. However, the real reason for the variation in performance between the two banks was that Barclays, which was more heavily involved in troublesome property lending in the mid-1970s, is now benefiting handsomely from a much lower charge for bad and doubtful debts.

During 1976, when its bad debt charges were really biting, Barclays' profits markedly underperformed those of the other clearing banks. By contrast, in 1977, as the bad debt charge started falling, Barclays' profits outshone those of the other clearers and the same is happening in 1978. The question investors now want an answer to is how much more recovery potential there is left in Barclays' profits.

Although Barclays' shares yield just over 5 per cent at 410p, much the same as Lloyds, an earnings multiple of 3.9 against Lloyds' 4.3, looks undemanding given than over the past five years Barclays' profits have risen by 144 per cent while Lloyds' profits are only up by 39 per cent.



TOP PERFORMING SECTORS IN FOUR WEEKS FROM JAN. 25

	% Change
Property	+12.3
Oils	+11.4
Mining Finance	+11.2
Discount Houses	+ 6.0
Lt. Electronics, Radio, TV	+ 4.7
Food Retailing	+ 4.7
All-Share Index	+ 2.8
THE WORST PERFORMERS	
Hire Purchase	— 2.1
Merchant Banks	— 2.2
Textiles	— 2.6
Insurance (Life)	— 3.0
Shipping	— 3.1
Household Goods	— 3.4

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1978/79 High	1978/9 Low	
Ind. Ord. Index	467.0	+11.7	535.5	433.4	Following in wake of gilts
Govt. Secs. Index	67.80	+ 2.61	78.58	64.64	Domestic and foreign demand
Barclays Bank	410	+35	410	296	Better-than-expected results
Burton A	208	+19	208	99	Enfranchisement/bid hopes
Campari	109	+15	136	92	Interim results due Monday
Crest Nicholson	104	+17	104	64	Good annual figures
De Vere Hotels	250	+44	250	148	Bid speculation
EMI	136	+10	190	124	Scanner licensing agreement
Eurotherm	318	+35	320	142	Renewed investment demand
Glass & Metal	122	+32	122	58	Bid approach
Haslemere	272	+26	274	206	Revived bid hopes
ICI	389	+25	421	328	Optimism about outlook
Jones (Ernest) (Jewellers)	178	+17	178	136	Satisfactory results
Killinghall	320	+65	320	133	Far Eastern buying
London Sumatra	235	+21	240	69	Poss. offer from Harrisons & Cros.
MEPC	176	+15	176	105	Investment demand
Mining Supplies	145	+15	145	54	Charter Cons. acquire 5.1% stake
Pacific Copper	120	+26	121	30	Speculative demand
RTZ	294	+18	294	164	Strength of base-metal prices
Roan Cons. Mines	110	+13	110	52	Improved December results

U.K. INDICES

Average week to	Feb. 23	Feb. 16	Feb. 9
FINANCIAL TIMES			
Govt. Secs.	66.65	65.17	65.09
Fixed Interest	67.23	66.02	66.49
Indust. Ord.	460.7	453.0	454.1
Gold Mines	181.0	176.4	180.7
Do (Ex $ pm)	123.5	120.2	122.0
Dealings mkd.	5,316	4,823	5,247
FT ACTUARIES			
Capital Gds.	226.93	223.14	224.77
Consumer (Durable)	208.28	200.76	199.07
Cons. (Non-Durable)	209.53	205.13	206.66
Ind. Group	217.51	212.55	213.33
500-Share	245.36	240.24	239.82
Financial Gp.	171.89	167.36	167.33
All-Share	226.24	221.53	221.48
Red. Debs.	51.43	51.83	52.67

Off stage worry, but nerves hold

DESPITE the conflict between China and Vietnam, the Soviet Union's bellicose noises off-stage, oil price increases and another round of the eternal guessing game about the economy, U.S. stocks are still, as they say, "hanging in there." The Dow Jones Industrial Average is displaying a gritty *determination to cling to the* 820-835 "support area" divined by some analysts, and each day that it survives with no more than a slightly bloody nose is regarded as something of an achievement.

Last week this column stressed the importance of fourth-quarter earnings reports in propping up the market through some very difficult news. Indeed, this phenomenon was clearly apparent on Tuesday when Eastman Kodak took some of the sting out of Wall Street's return to work after a public holiday with a report of a 47 per cent climb in profits. [Polaroid's 14 per cent earnings rise paled in comparison and the stock was heavily sold yesterday, closing 6½ points down on the day.]

But there is also an opinion on Wall Street that the cash rich institutions are again nibbling

NEW YORK

JOHN WYLES

at stocks. This stems partly from a few bullish statements from one or two majors such as Aetna Life and also the *significant increase in block* trades of more than 10,000 shares in the first seven weeks of this year compared to last.

Such measures of trading volume are, of course, crude indicators but despite the vicissitudes faithfully reported in this space each week, The Dow is still some 20 odd points *higher than it was at the* start of the year which suggests that, on balance, there have been more buyers than sellers. If the institutions are coming back into the market (the case is not yet proven, at least one major Wall Street trading house reckons they have been net sellers this year) then they are *doing so out of a conviction* that the risk-reward ratio on stocks has improved

Some portfolio managers have decided, quite simply, that if this consensus changes then there would be too many people trying to get into the market at the same time and inevitably some would suffer.

Thus some institutions may be reducing their cash holdings and cautiously adding equities. They have plenty of scope to do so judging by the latest data compiled by Computer Directions Advisors of Silver Spring, Maryland, which discloses that the institutions were net sellers of $627m of equities in the final quarter of the year.

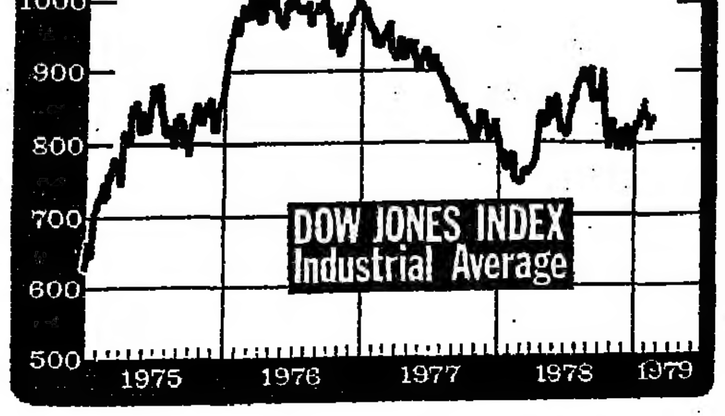
This quarter, of course witnessed the calamitous 115 point drop in the Dow from late September to early November which was arrested only by the emergency dollar support package of November 1. Heaviest net selling was of auto stock (Ford to the tune of $59.8m and General Motors $40.8m) followed by insurance companies, aircraft manufacturers, electronics and soap and cosmetic stocks.

After this shake out, the 1979 additions to institutional portfolios have tended to fall into the categories of high technology growth companies, or more consumer oriented producers whose balance sheets will carry them comfortably through any recession but which are well positioned to take advantage of an upturn. Thus IBM still figures prominently in buying plans alongside Philip Morris, Textron Inc, Warner Communications, Digital Equipment and K Mart.

But in response to Iran and the administration's avowed determination to reduce U.S. dependence on foreign oil, there is a great deal of interest in oil and gas exploration companies whose activities are firmly based in the U.S. Superior Oil has crossed the 340 price barrier this week and thanks to increasing awarness has slowed the rate of decline in its oil reserves which triggered something of a management crisis earlier this decade. Recent exploration finds have added significantly to its gas reserves in the West, Southwest and Alaska. Dome Petroleum, the Alberta company with discovery prospects in the Beaufort Sea, has been selling at its highest price ever and a number of other smaller Canadian producers have also been the centre of much interest.

CLOSING INDICES

	Close	Change
Monday	closed for public holiday	
Tuesday	834.55	+7.54
Wednesday	834.55	no change
Thursday	828.57	—5.98
Friday	823.28	—5.29



FINANCE AND THE FAMILY

Appointment of trustees

BY OUR LEGAL STAFF

One of three trustees administering a will trust has died and the remaining trustees wish to appoint another. Is a deed necessary? Does the new trustee have to agree to his appointment in writing? Do share certificates have to be altered?

A deed of appointment of the new trustee will be required, and you should consult a solicitor as to this. Though not necessary it is desirable to obtain the new trustee's written consent to act. Share certificates need not be altered, but it is desirable to inform registrars of the relevant companies of the appointment of a new trustee. The property in the holdings will vest in the new trustees by virtue of the Deed of Appointment.

Divorce and gains tax

As part of the terms mutually agreed in connection with a divorce, the ex-wife received from her former husband half of his share-holding in his family business, being an unquoted private company. When it comes to the completion of her own income tax returns, it will be necessary, presumably, to ascertain the "cost" of the shares that she has acquired. In these circumstances is it deemed that she "purchases" the shares at the same price as her former husband paid for them originally, or is she deemed to have paid to him the current market value (however this might be calculated) in which case he may be liable for Capital Gains Tax?

Broadly speaking, if the couple separated before the beginning of the tax year in which the share transfer was agreed upon, the disposal is deemed to have taken place at market value (under paragraphs 17(2) and 21(2) of schedule 7, to the Finance Act 1965). Market value is to be ascertained in accordance with section 51 of the Finance Act 1973. The consequent capital gains tax liability may be paid by instalments, under the current version of paragraph 4 of schedule 10 to the Finance Act 1965.

On the other hand, if the separation question occurred after the beginning of the tax year in question, the ex-wife takes over her husband's costs, etc., and he has no tax liability (under paragraph 20[1] of schedule 7 to the Finance Act, 1965).

If the market value has to be ascertained (as seems likely), the ex-wife has the right to intervene in the prospective dispute between her ex-husband and his tax inspector, by virtue of regulation 8 of the Capital Gains Tax Regulations 1967, (SI1967/149).

Valuation of unquoted shares is a matter in which professional assistance is virtually essential. The company's auditors may be able to help, provided that there is no conflict of interest.

Change of tax basis

As a Schedule D, Case 1 taxpayer, I submit my car expenses by calculating the petrol, oil, and services used, together with a capital allowance of 25 per cent, and overall this results in a mileage cost of about 8p a mile. It has been approved for Local Authorities and other public bodies that when councillors use their own cars (and also officials) they are entitled to an allowance of either 11 or 12p per mile for cars of the same capacity as mine.

Can I require the Tax Inspector to accept this latter figure in my own case, and is the matter within the discretion of a tax inspector for each district?

The answers to the two parts of your question are respectively no and yes, broadly speaking. Whilst there is nothing to lose by asking your inspector to allow you to change from the statutory basis to a rough-and-ready basis, we do not offer much hope of his agreeing.

You seem to be drawing a false parallel between schedule D expenditure and schedule E expenses.

Meaning of T marks

I have been advised that the T marks shown on the plan of my bungalow are not in accordance with the customary practice and consequently that there is some doubt as to my boundary. Could you tell me what these marks are supposed to mean?

T marks are normally used to denote that the boundary feature (fence, hedge, etc.) denoted by them belongs to the subject property. It is still a matter of doubt in law what effect, if any, the denoting of boundaries by T marks has in law, but it is generally accepted as at least prima facie evidence of ownership and/or liability to repair. The normal practice is to place the T mark with the base of its upright touching the boundary, the side on which the mark stands being the designated owner. We doubt if the use of a T mark in the manner shown on your plan can have any meaning at all ascribed to it; and the ownership of your boundary must remain uncertain.

Establishing a charity

I wish to establish a small charity. Could you tell me how I could best go about it?

The law of charities is complex and you will undoubtedly need professional assistance in setting up the fund. You may obtain a preliminary conspectus of the position from the Charity Commission, Ryder Street, St. James's, London, SW1.

No invalidation of will

I arranged for two people to witness the signature of my will. I noticed that I had repeated the words "and the furniture" so put a light line across these words. My signature was witnessed and the alteration initialled. Could this invalidate the will?

The alteration will not invalidate your will.

Complication for probate

I have been made the executor in the will of an elderly widow, Mrs. Emily Smith. Her main asset consists of a small freehold house, in which she lives alone. On examining the deeds of this house, I notice that they are in the name of Mrs. Emma Smith. Will this cause complications in obtaining probate?

There could be some difficulty in dealing with the property on probate. It is desirable to resolve the position now e.g. by a statutory declaration by Mrs. Smith stating that Emily Smith and Emma Smith are both names by which she is known, and that they are one and the same person.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Creation of a lease

A farmer friend has recently bought an adjoining farm with a good house and about 80 acres. He would like to retain most of the land but would like to sell a 20 year lease of the house, buildings and about 5 acres. Could you please advise whether you think this is practical and if, you think there would be difficulty in obtaining possession?

There are a number of hazards which might arise in the creation of a lease of the house with 5 acres of land for sale at a premium, especially where the lease contemplated is not a "long lease." Your friend would be most unwise to proceed without consulting a solicitor. If due care is taken, the scheme could be presented in a practicable form.

Good basis for a will

My wife and I in our wills have left everything, apart from some modest legacies, to the other. On the death of the survivor all goes to our two grandchildren, with a life interest to our only child, a son. Is this the best arrangement, tax-wise? If not can you suggest anything better?

The arrangement which you have made could be a good basis for approaching your tax problems, but only if you combined estates do not greatly exceed £60,000 or thereabouts. On larger estates different considerations arise—and it would be wise to consult a solicitor if the estates are of any complexity. Thus it may be wise to dispose of part of the estate of the younger of you by gift to the grandchildren direct, in the hope that two £25,000 each exemptions can be used.

An injury at work

Under An injury at work (January 20) we advised an employee of an American firm to take a low offer of compensation for an industrial injury because circumstances might arise where his employer could be insolvent in England. It has been pointed out to us, however, that the man's employers would have had insurance against such injury because it is compulsory under The Third Parties (Rights against Insurers) Act 1930, which gives an injured person a direct right of action against the insurer of the employer, when the latter is insolvent in England. The employee's position is thus much more secure than our answer indicated.

Unit trust exchanges

In Finance and the Family on January 13 you dealt with the question of capital gains tax on the exchange of unit trust holdings within the same management group. I held Save and Prosper capital units, bought £5 monthly from January 1963 to January 1968, then £10 monthly from February 1968 to July 1974, all interest reinvested. I exchanged, on August 22, 1978, for Save and Prosper High Return Units, when for £1,748.88 I sold 4,416.38 of the one and bought 2,379.43 of the other. What, please, would be my capital gains tax assessment?

If you have no other chargeable gains for 1978-79, the short answer is that you have no CGT liability, and there is no practical necessity to calculate your precise chargeable gain.

If it is necessary to do a precise calculation, however, you will find it quite complicated. It will be simpler if you have made (or make, if the time limit has not yet expired) an election under schedule 11 to the Finance Act 1968, but such an election needs careful consideration (and may involve an element of gambling) if you held other investments on April 6, 1965—apart from non-participating preference shares, loan stocks, etc.

If you make (or have already made) a schedule 11 election for equities, etc., you will be deemed to have paid 8/0½d (40.20833p) for each S & P Capital Unit which you held on April 6, 1965; but bear in mind that the units were subdivided on June 16, 1969. This notional cost of your doomsday holding plus the actual cost of the units purchased since April 6, 1965 (both cash paid and distributions retained for reinvestment) should be deducted from £1,748, to give the chargeable gain.

If there is no election, separate calculations should be made in respect of each of the 30-odd purchases before April 6, 1965; one calculation will cover all the subsequent purchases.

Presumably the managers have provided you with a statement showing the basic facts needed for the CGT calculations: if not, they will undoubtedly be pleased to help you.

The certificates of apportioned gains (under s.67, FA 1965, and s.357, ICTA 1970) should be ignored, as they were cancelled by s.112(11), FA 1972.

Responsibility for tax

My brother is neither domiciled nor resident in the UK but he runs a bank deposit account here and I was given the usual third party bank mandate to look after the account, which has in fact been closed.

I have now received a letter from my Inspector of Taxes regarding this account. The inspector regards me as my brother's agent and under the Taxes Management Act 1970 he intends to raise assessments on this interest income in my name and further states that I will be responsible for paying tax due as shown on the assessments.

I have already appealed and denied receiving interest income or any pecuniary benefits from my brother's account. I am waiting for the inspector's reply.

Please let me know (a) if I am responsible for paying tax on income that was never mine (b) if the inspector's definition of an agent is valid vis à vis the third party bank authority.

If your brother had known about subsection 4 of section 17 of the Taxes Management Act 1970 (or if his bank had drawn his attention to it), the current dispute would probably not have arisen. It reads "if a person to whom any interest is paid or credited in respect of any money received or retained in the UK by notice in writing served on the person paying or crediting the interest (a) declares that the person who was beneficially entitled to that interest when it was paid or credited was not then ordinarily resident in the UK, and (b) requests that the interest shall not be included in any return under this section, the person paying or crediting the interest shall not be required to include that interest in any such return." From what you say, it seems unlikely that you can be required to pay tax on your brother's behalf (under sections 78 and 83 of the Taxes Management Act) and, if notices of assessment are in fact served upon you, we recommend that you give notice to the Special Commissioners—rather than to the General Commissioners.

It is a pity you do not say where your brother is (or was at the time in question) resident, for local tax purposes. The double taxation agreements with several countries provide for exemption from UK tax on UK bank deposit interest, and so the dispute over section 78 may be academic. In a local reference library, you should find copies of the UK's current double taxation agreements in, for example, volume 5 of the British Tax Encyclopedia or volume F of Simon's Taxes. If the agreement with the country in question (if there is one) provides exemption for your brother, the necessary forms can be obtained from the Inland Revenue Foreign Dividends Office, Lynwood Road, Thames Ditton, Surrey, KT7 0DP. Even if there is no current agreement with the country in question, there may be an agreement under negotiation which will eventually provide retroactive exemption for your brother, so you may care to come back to us on this point.

Premium on ignorance

INSURANCE

JOHN PHILIP

THE LONG established insurance law in Britain and many English speaking countries is that the would-be buyer of insurance must tell his prospective insurer all facts material to the risk. Equally long established law defines a material fact as one which would influence the prudent insurer in deciding whether or not to accept the risk and if to accept, in fixing the cover provided and the premium charged.

But how can the would-be buyer of insurance, even the well informed reader of the quality Press, know what criteria the prudent insurer applies to the insurance proposals he receives? Is he not permanently in a "one down" position, always at risk of losing his cover because as a layman, untutored in insurance thinking, he may have failed to mention some fact immaterial to him, but material to the prudent insurer?

The Law Commission in its recently published working paper No. 73 answers this question with an emphatic "yes" and goes on to declare that the balance between insurers and proposers/policyholders must be altered. The Law Commissioners take the view that there are two kinds of insurance contract, where (as is most usual) insurers require completion of a proposal form, and where (as is common in much of the commercial sector of the market) the buyer or his agent is not required to complete a proposal form.

Where no form is completed (and commercial practice apart it may be a matter of chance whether or not this is so) the Law Commission recommends that the proposer "should be under a duty to disclose those facts which a reasonable man in his circumstances would consider to be material in the sense that they would influence the judgment of a prudent insurer. . . ."

A moment's thought will show that this is not just altering the balance between insurers and proposers / policyholders: it is weighting the scales heavily in favour of the most ill-informed and the most illiterate. The proposed yardstick is not that of the objective reasonable man, of the fictional "man on the Clapham omnibus" which has been developed by the English law as the epitomy of common-sense and common awareness. The proposed yardstick is that of "a reasonable man in his circumstances" which is no yardstick at all but an ever-changing criterion.

The phrase "in his circumstances" if translated into legislation would most probably mean that I as an insurance man would be under a heavier duty of disclosure than would be my accountant, that he would be under a heavier duty of disclosure than his shopkeeper client, who in his turn would be under a heavier duty than his artisan customer . . . and so on. Remembering that there are now some 2m adults in this country who are either partly or wholly illiterate, insurers are rightly entitled to ask, "where do we stop?"

Thus, taken to its logical conclusion, the recommendation would surely create more uncertainty for insurers than does the present law create for proposers: and it would almost certainly rebound to the public disadvantage.

Insurers would have to raise their prices overall to compensate for the greater risks incurred from the reduction, even the near elimination, of the present duty—or they might even be constrained to introduce rating differentials geared to their assessment of policyholders' "circumstances."

A further alternative would be to change market practice, at considerable administrative cost, to ensure the use of proposal forms in all cases—an alternative which insurers and commercial buyers of insurance on any assessment of present practice would hold to be totally unnecessary.

Turning now to the use of proposal forms, the Law Commission say that the proposer/policyholder should prime facie be taken to have discharged his duty on disclosure if he supplies complete and accurate answers to the questions asked, but assert "if the insured can prove that he has answered a material question in a proposal form to the best of his knowledge and belief, having carried out all those enquiries which a reasonable man in his circumstances would have carried out he should be considered to have discharged his duty notwithstanding that the answer is in fact inaccurate."

Again note the use of the phrase "in his circumstances." There is no objective standard, but recommended are the constantly shifting sands of subjective individual lack of foresight, even ignorance. This can provide no satisfactory legal basis for the transaction of millions of insurance contracts.

In the non-life personal lines sector (private motor, household and so on), by their statement of insurance practice agreed with government 2 years ago insurers undertook that they would, so far as practicable "avoid asking questions which would require expert knowledge beyond that which the proposer could reasonably be expected to possess."

This undertaking, applicable to personal but not commercial proposers was offered by the industry and accepted by the government as a reasonable stopping point. It leaves the buyer with a real duty when considering what answers he has to provide to the questions on the proposal form.

Provided these answers are clearly posed (as they have to be incompliance with the statement of insurance practice) insurers are surely entitled to say that the questions should be clearly answered and that the individual proposer should not be entitled to shelter behind either his real (or perhaps assumed) ignorance of what the reasonable, non-expert, average citizen should know or be expected to discover.

Optimism in limbo

WHEN Bath and Portland Group was starting to mobilise its Iranian road building contract in the autumn of 1975, the more cautious of the broking fraternity revised previously bullish recommendations. The contract, the sceptics pointed out, was worth £24m while the group itself had net assets of only £7.4m. Today, inflation and extra work have pushed the value of the contract to well over £105m, while Bath and Portland has a net worth of just £16.5m.

It is impossible to say whether the group or its critics would have been vindicated had it not been for the tumultuous events in Iran. All that can be said at present is that a substantial proportion of Bath and Portland's asset base and its prospects of future civil engineering growth are suspended in limbo.

Negotiations are at such a delicate stage, apparently, that the company will not say how much profit it took out of Iran in the financial year to October 31. The City reckons it could have been between £1.75m and £2m, compared with £1m a year earlier.

That should be compared with overall pre-tax profits of £5.2m which were struck after interest of £2m charged against loans from the group's bankers in respect of work completed in Iran. So if the contract is suspended for any time and the flow of profits consequently dries up, the impact of heavy interest charges on this year's group trading performance could be substantial as long as payments by the Iranian authorities are delayed.

Typically, Sir Kenneth is optimistic of the outcome. He thinks it is "likely that we shall negotiate a start up and a new contract to complete it. It is probably now June 1980 before we finish. We were tempted to enter back-to-back contracts with the British Government for docks and munition centre work in Iran but we deliveratety chose civilian contracts which are thought to be essential whichever Government is in power."

The direct financial risk to Bath Portland is, of course, limited by the Export Credits Guarantee Department which has insured 90 per cent of the contract value. Contract assets at October, net of advance payments from the banks of £14m, amounted to £23m which have been financed by the group in the normal course of business. If the contract is terminated, some 10 per cent of those assets are exposed and that risk forms the basis of the net £1.68m provision, taken below the line, which is deemed to be covered by Iranian profits taken in earlier years.

Whatever the outcome, Bath and Portland has been saying for some time that it needed work to replace the contract when the road reached the Pakistan frontier at Mirjaweh. Had it not been for the radical shift in Iranian politics, a new contract would have been crucial at this point and it seems that Bath and Portland had been on the verge of tendering for the vast Tehran ring road. Now, naturally, these hopes have been arrested and since building and civil engineering account for over half the level of trading profits, the group must look elsewhere to fill the void.

Problems with children

TAXATION

DAVID WAINMAN

AT THIS time of the year, when the Chancellor is thought to be considering what should be the contents of his Budget, many an individual and group feel it necessary to offer him strident advice. Or as the poet so elegantly described the process eight hundred years ago, "Sumer is icumen in, Lhude sing cuccu."

But we already know some of the tax changes the Chancellor will be enacting, and in these areas at least we can calculate what horrors he is minded to inflict on us. We know for instance that child tax allowances are to be virtually eliminated. (They remain relevant for children who started tertiary education before December 1976, and who either have the full grant from a local authority, or no grant. These children do not qualify for child benefits, and their grants cannot be increased to compensate. The only other children still qualifying their parents for tax allowances are those living abroad; they also are ineligible for child benefits.)

But for the vast majority of families, the allowance presently given in calculating tax liabilities is to be fully replaced by child benefit, payable in cash at an increased level from April 1979.

Child benefits during 1978-79 commenced at a weekly rate of £2.30 per child, and were increased in November to £3. The total cash sum receivable for the year therefore comes to £133 per child. The tax saving arising from the presently remaining vestige of the child allowance varies not only according to the child's age, but also by reference to the parents' marginal rate of tax. For parents paying at 33 per cent with a child under 11 at the beginning of 1978-79 the allowance of £100 would save £33 of tax. The allowance for a child over 16, £165, would be worth £124 to parents whose marginal rate is 75 per cent.

In April, the child benefit becomes £4 per week per child, and the tax allowances disappear. The total cash receivable for 1979-80 at £208 will therefore be an improvement upon the combined effects in the current year of allowances and benefits except for relatively highly taxed parents: child under 11, parents' marginal tax rate 83 per cent; child 11-16, parents' marginal tax rate 60 per cent; child over 16, parents' marginal tax rate 50 per cent.

A consequence of eliminating the tax allowances is that the child's income restrictions also disappear. For the current fiscal year, parents are entitled to the full allowances only if the child does not have income in its own right of more than £115, this figure being increased in the case of children who are earning to a total of £500 of which not more than £115 may be "unearned." If these income limits are exceeded, then the parents' tax allowance is cut back £ for £.

Children who do have income of their own are taxed on it just like any other taxpayer so long as it is not derived from their own parents or from capital settled or gifted by those parents. Parent-source income is treated by the tax authorities for all purposes as belonging to those parents. But taxing the child himself on income from other sources means that he is entitled to his own personal allowance, and to this own tax repayment against it.

Using present levels of allowances, we can demonstrate the income limit considerations that currently operate if we assume that a 16-year-old child is a beneficiary of an "accumulation and maintenance" settlement created by his grandparents. The trustees' income in the form of dividends from trust investments can be loosely but effectively described as being received net of income tax. The trustees will then pay another 15 per cent tax on it. As and when they pay it out to the child (but not before), it falls to be regarded as his income. £52 of cash received by the child is regarded as £100 of gross income in his hands, and this being fully covered by his personal allowance he can reclaim both the £33 income tax and the £15 additional tax deducted from that £52.

So if we extend our illustration by assuming that the trustees' income is running at £400 gross per anunm (net cash distributable being £208), the trustees could see that the optimum tax position would, as the law has stood to date, be achieved by distributing £60 for each of two years, and then the balance of £504 in the third year. In each of the first two years, £60 net, equivalent to £115 gross, enables the child to recover £55 of tax, and does not cause the parents to lose their tax allowance. Only in the third year is that allowance sacrificed, but in that year the child recovers £465 tax, on a gross income of £969.

The trustees find themselves, however, in the classic difficulty rooted in our tax laws. Their duty is clearly to do the best they can for the beneficiary, and recovering the maximum tax for him, while also not running his parents into greater liabilities than necessary, would seem advantageous. But any lawyer among the trustees would admit that the trustees' powers to accumulate income, and their discretion to distribute it, were given them so that they could meet the beneficiary's income needs rather than to optimise the family's tax situation. The legal phrase for trustee's abuses in this direction is certainly descriptive—"a fraud on the power."

The trustees need fear this problem no more from April 6, 1979, and the child's parents will no longer be in danger of paying more tax simply because that child receives, or earns, too much income. Perhaps the Chancellor's "horrors" is a less than totally fair description of a proposal to hand out more money and make life less complicated for the recipients.

And the Chancellor might even be thought to be encouraging grandparents, godparents and others either to settle capital on children or to covenant income to them. Covenantors will save only the basic rate of tax, not the higher rates. But the children can straightaway use their personal allowances to recover that basic rate of tax. Charities need fiscal favours and are enabled to reclaim tax, but children trailing clouds of glory are blessed with equal tax efficiency.

Your Weekend £: Austria 26.75, Belgium 58.75, France 8.48, Italy 1,655, Greece 70.50, Spain 138.00, Switzerland 3.34, U.S. 2.0050. Source: Thomas Cook.

YOUR SAVINGS AND INVESTMENTS 1

New laws promise cheaper loans, writes **Tim Dickson**

Credit unions take off

NEW HOPE for thousands of borrowers is contained in legislation currently going through Parliament.

The object of the Bill is to help promote credit units, self-help groups which provide cheap and easily available finance for their members.

The concept up to now has not gained much recognition in the UK although the idea is essentially sound and its workings simple to understand.

Credit unions are normally set up by people who have some form of common bond—for example, membership of the same community, occupation or trade union.

Members agree to save on a regular basis and these contributions are put towards a common fund from which they can later borrow at low rates of interest.

The advantages are particularly significant at a time when recent rises in bank base rates have made overdrafts so expensive, and the potential benefit to low-income consumers, often unable to get help from more conventional sources, is particularly great.

For these reasons it is perhaps surprising that there are only some 50 credit unions scattered around the United Kingdom. Many of the early ones are run by Jamaicans and other immigrants who imported the idea from their home country. In Northern Ireland and the Irish Republic, the movement numbers around 650, while credit unions in America account for an estimated 16 per cent of all consumer finance.

The problem so far in Britain has been absence of any specific legal framework to safeguard depositors. Credit unions have, therefore, failed to get off the ground because would-be members have been reluctant to commit their hard-earned savings to institutions whose workings are supervised by no official body. This is not the case, incidentally, in Northern Ireland where the Northern Ireland Industrial and Provident Societies Act has since 1969 contained a separate section on credit unions.

The new Bill, which is currently accompanying the more widely publicised Banking Bill through the Parliamentary committee stage, is intended to provide a much-needed security for investors.

Many of its clauses in fact, simply formalise existing credit union practice. But there are a number of important restrictions which the Act will lay down.

Budding credit unions, for example, will have to be authorised by the Registrar of Friendly Societies before they start business. He will accept only groups whose common bond is membership of a particular occupation, locality, workplace, or bona fide organisation or association.

The main point to remember is that nobody can establish a credit union solely as an end in itself.

Assuming the Registrar is satisfied, the credit union must then ensure that there are at least 21 members but no more than 5,000. There is no limit laid down on total assets but no member is allowed to deposit more than £3,000.

South London credit union: an idea from back home

The Bill meanwhile will lay down that no member should get a loan of more than his personal holding plus £2,000, an overall theoretical limit of £5,000. In practice, most people are not interested in loans of more than a few hundred pounds.

The Bill lays down no rules about interest paid by borrowers, who currently in many cases pay a true rate of around 12 per cent. But it does prescribe that "dividends" offered to savers should not exceed six per cent. The saver's tax position has yet to be clarified.

Building societies and banks of course provide a better return but this commercial benefit should be balanced against the social considerations which credit unions are able to take into account.

For instance, loans are always decided by elected committees and members who run into financial difficulties are likely to be looked after. You can't always rely on your bank manager in that situation!

The new Bill also requires accounts of any credit unions with total savings of more than £5,000 to be professionally audited and a copy sent to the Registrar.

The Registrar will also have the right in certain circumstances to step in if something goes wrong.

The National Consumer Council, which strongly supports the credit union concept and has lobbied energetically for the Bill, hopes the new legislation will encourage more groups to come forward.

The council stresses that in most cases the Bill is simply giving legal force to existing restrictions which are already informally observed. At the same time, the Bill should clear up any confusion about their legal status and through the Registrar of Friendly Societies will afford proper protection to savers.

Borrowing money these days is not just hazardous for the lower paid. At best consumers are forced to rely on bank overdrafts with wildly fluctuating interest rates, at worst on the excesses of self-seeking loan sharks.

If you want more information, contact the National Consumer Council, 14, Queen Anne's Gate, London, or the Credit Union League of Great Britain, Ecumenical Centre, Firbeck, Skelmersdale, Lancashire.

This plan offers more than it seems, says **Eric Short**

Making the going easier

PROPERTY GROWTH Assurance has, by accident, discovered a new way of avoiding higher rate tax on life bonds. *And it is somewhat embarrassed* by its findings.

The company's research boffins set out to design a scheme which would cut an investor's gift tax bills and, in the way of many of the world's great discoveries, stumbled on something much better.

The research has now borne fruit in Property Growth's new "Capital Transfer Tax Plan." This sets out ostensibly to cope only with capital transfer tax (CTT); but its enormous—if incidental—income tax advantages, though not mentioned in the sales literature, are bound to be exploited by sharp-sighted brokers.

The plan takes a basic life bond and splits it into its two basic components—a term insurance policy, providing life cover, and a "pure" endowment bond (with no life insurance element) to provide the investment return. The life cover provided by the term insurance is equal to the value of the bond: And the bond, linked to a range of units, should grow over the years thanks to both capital gains and re-invested income.

If, as is likely, the investor dies within 40 years, the payout from the life policies goes to his family or other beneficiaries. Meanwhile, the bond is extinguished and the proceeds from this go to the insurance company.

The key to the plan's CTT advantages is that the series of mini-policies that make up the insurance on your life can be assigned gradually over the years to your beneficiaries—and their value for CTT purposes is much lower than the eventual pay-outs when you die.

The income tax attraction is *that while you keep the bond* going the income from your capital is sheltered from higher rates of tax. There could, of course, be a hefty tax bill if you cash in the bond—but you should not have to. And on death the pay-out is not from the bond proceeds, which would be liable to higher rates of income tax, but from the insurance. And, though the insurance has mirrored all along the growth of the bond, it is completely tax-free.

The *mini-policies*, from which the insurance is built up, each provide £500 of cover initially.

Each year, Property Growth's actuary calculates the current actuarial value of the policies—*and this is much lower than the* current worth of the underlying units. The investor then assigns the policies gradually over the years, keeping within the annual exemption limits for CTT. At present you can give away up to £2,000 plus £100 for each named person each year without paying CTT.

The policies' actuarial value at the time of transfer depends on the age of the investor, the length of term left to run and the value of the units.

Say, for instance, you want to make over £100,000 to your children. Property Growth will issue you with 200 term policies of £500 each. If you are aged 40, each policy, as valued by Property Growth's actuary, is worth £95.24, so you can immediately assign 21 policies to your children at the outset without a CTT bill. In the case of a 60-year-old investor, the actuarial value is £230.95, so he can assign eight policies at outset; while if he is 80, the value is £364.94 so he can assign five policies.

Thus, even if the £2,000 rule remains unchanged, a 40-year-old investor should be able to give away all the policies before 60, unless Property Growth records a phenominal investment performance.

But for the investor aged 60, with this outlay, it is doubtful if he would complete the transfer before he dies.

The investor can take the usual withdrawal facilities under the bond with up to 5 per cent free of tax at the time of withdrawal. Under this plan the investor can boost his income and reduce his CTT bill as the table shows.

Property Growth's chief executive, Don Stringer, insists the company never intended these plans to be used for any other purpose than CTT mitigation. He adds that the plan is most useful for the middle aged investor so as to give himself enough time before he dies to gift most if not all of the policies. But for the really elderly, the income tax advantages are more useful.

One weakness of the scheme, however, is that if the investor survives 40 years, the term insurance lapses and the bond *becomes payable. At this point* it will be subject to both higher rate tax and CTT. Property Growth states that it is prepared to extend the term of the plan, but it does not appear to have given much thought to the position in 40 years.

It is anyone's guess at this stage, what the Revenue's reaction will be. But the Chancellor had some harsh words to say on tax avoidance schemes last year. If CTT avoidance only was involved, the Revenue would probably have acquiesced but the higher-rate tax aspects could well be unacceptable.

Investors would be well-advised to see if the Chancellor clamps down in this year's Budget before taking any action. The Chancellor's measures could be made retrospective.

HOW THE CTT PLAN WORKS

This is how the income position of a 50-year-old married investor, *earning £9,000 a year with £100,000,* can be improved:

BEFORE	£
Earned income	9,000
Investment income*	10,000
Total gross income	19,000
Less tax	9,198
Net income	9,802
AFTER	£
Earned income	9,000
Less tax	2,403
Net earned income	6,597
Income from plan†	5,000
Net income	11,597

* Asuming 10 per cent yield. † Using 5 per cent withdrawal facility.

If the investor dies after 20 years, having assigned 80 per cent of the term policies to his children, the CTT position without and with the plan is:

WITHOUT	£
Total estate	£100,000
Less CTT	23,750
Net estate	76,250
WITH £	
Value‡ of 20 per cent held by investor	42,796
Less CTT	2,949
Net value	39,847
Value of the 80 per cent gifted	171,185
Total net estate	211,032

‡ Assuming 8 per cent bond growth less 5 per cent withdrawal.

YOUR SAVINGS AND INVESTMENTS 2

All that glisters . . .

GOLD

EAMONN FINGLETON

KRUGERRANDS HAVE so far proved the best way of backing the current boom in gold. Gold shares have lagged the rise in the bullion price. And, thanks to dollar premium complications, gold-oriented unit trusts have the wooden spoon.

Krugerrands are a thinly veiled way into bullion. As coins, minted by the million in South Africa, they get round laws banning direct investment in bullion on a technicality. Their weight alone is a give-away: they weigh exactly one ounce (of near-pure gold) and so even the least numerate speculators—many gold bugs seem to be in this category—can follow the action without a pocket calculator.

Gold mine shares which had been lagging badly because of South Africa's political problems have made some progress recently—and so they should, as they gain more than proportionately from any rise in the metal price.

Even so anyone who backed the coins on September 30, 1976—the day gold bottomed after the 1974 boom—would still be better off than if he bought mines. An investment of £10,000 would now be worth about £23,500 if you backed the coins, compared with £22,900 in the FT Gold Mines Index stocks

You would have done least well with the two unit trusts specialising in South African gold shares, Britannia Minerals and *Britannia Gold and General*, where your investment would now be worth about £15,000 in each case.

Britannia blames an ill-timed decision to switch over to funding a big part of the trusts' portfolios with foreign loans rather than with premium currency. The trouble was that soon after the decision gold shares plummeted on worries about South Africa so, under the rules, Britannia had to buy premium currency to make up the deficit between its borrowing and the value of the investments. This exercise was made particularly expensive because of a sudden rise in the cost of the premium in the meantime.

Britannia had been gambling on a rise in gold shares and a fall in the premium — a combination that would have given the trusts a huge advantage over the Gold Mines Index.

Now Britannia's investment director, Stuart Goldsmith, has taken the lesson to heart and has ordered a shake-up of the two funds' investment strategies.

The funds are now to follow different currency tacks: Gold and General will invest mainly through the premium. The Minerals funds will continue to borrow abroad where the managers think this is right — so it will remain a very volatile fund, handsomely beating the index when the currency strategy comes up trumps and lagging badly when it comes unstuck.

Britannia inherited one of the funds from the Jessel group and the other from Slater, Walker, and would have liked to merge the two. But a merger has been shot down on technical grounds; so, rather than be saddled with two near-identical funds, it is choosing to make a virtue of necessity and give the funds contrasting identities.

If you still prefer the metal to the mines, one of the best ways of buying krugerrands is through Johnson, Matthey, the City bullion dealing concern. The spread between the prices it buys and sells single krugerrands is currently about £3 for small deals. But apart from this, there are no dealing costs unless you deal by post when you are charged an extra £1.25.

The firm's address is 5, Lloyds Avenue, London EC3 3DB, and the telephone number is 481 3181.

GOLD: FROM PEAK TO TROUGH TO PEAK

How you would have fared in the main vehicles for investing in gold since December 30 1974, when the metal hit its pre-1978 peak. The metal hit its lowest level in the last four years on September 25 1976.

	Dec. 1974	Sept. 1976	This week	1974-1976	1976-1979
Bullion (per oz)	$197¼	$103½	$248	−48%	+140%
Krugerrands	£93½	£60½	£142	−35%	+135%
FT Gold Mines Index	368.4	78.8	180.1	−79%	+129%
Britannia Minerals	103.4p	29.9p	45.6p	−70%	+ 53%
Britannia Gold and General	153.0p	72.6p	109.1p	−53%	+ 50%

Stuart Goldsmith: shake-up

Many investors are puzzled over what to do about the recent flood of rights issue and takeover offers. Look before you leap, advises **Richard Lambert**

Rights and wrongs

NEVER DO TODAY what you can safely put off till tomorrow—at least when it is a question of accepting a takeover bid or taking up a rights issue. A rival bidder may pop out of nowhere at the last possible moment. Or an earthquake might flatten Throgmorton Street, and make the rights look a little less attractive.

However shareholders in a number of large companies have to take some important decisions soon. Next week brings to a close the Midland Bank's £60m offer of Sedgwick Forbes Bland Payne by way of rights to its shareholders. A little while later, it will be time to come to some conclusions about the Rank Organisation's £65m rights issue.

Shareholders have to ask themselves two questions. Do I want to commit new money to the equity market at this stage? If so, do I want to put it into this particular company?

There is no reason to think that the stock market is going to race ahead over the next few months. A downward drift in prices looks at least as likely. The short term prospects for Sedgwick and Rank are not all that sparkling, either. The era of super growth in the insurance broking sector is finished for the time being. Over at the Rank Organisation, growth in earnings per share this year is not going to be much to shout about after the rights issue.

But over the long term, it is a good bet that both these companies are going to generate an above-average stream of dividends for their shareholders. International insurance brokers like Sedgwick do well when everyone else is being clobbered by inflation and a weak currency. Rank Xerox still has a very strong position in the market place, and there is a real chance that Rank's other interests—which still return under 10 per cent before interest on capital employed—will one day make a proper return.

So in both cases, a decision about the rights depends mainly on each investor's time horizon. So long as it is more than a year or two, a subscription might well make sense.

Then there are the takeover bids. Much the trickiest is the three-cornered affair whereby Norcros is trying to take over Johnson-Richard Tiles, and Johnson-Richards in turn is trying to merge with Armitage Shanks. There is not all that much to choose between the two alternatives in terms of the immediate financial returns. So the decision here depends on whether you like Arnold Bennett, or something a little racier.

A merger between Johnson-Richards and Armitage would make a comfortable and solid Staffordshire story, without too much excitement. With Norcros, there could be a bit more drama—not least because the Johnson-Richards directors are indicating that this unwelcome bidder would have to clamber into their factories over their dead bodies.

There is a chance, though, that the Monopolies Commission might put the shutters down on both sets of proposals. So here is a weekend thought for Johnson-Richards' advisers: Why not seek a Treasury approval for a whacking great dividend increase? Just in case.

Meanwhile Sime Darby is playing a poker game with Guthrie shareholders, and has extended a clearly inadequate offer until March 2. But Guthrie shareholders need not be bluffed. If a better offer comes, they can treat it on its merits. If it does not, then their own management—which has said that their company is worth far more than Sime has offered—are going to have to prove their point.

Last of the big disputed takeovers is for English Property—and here shareholders have no worries at all, for bids and counter bids just keep rolling in. Admittedly the price is only going up a few pence at a time, but every little helps.

Money Monitor

Scottish lament

Although Wood Mackenzie, the Scottish stockbroking firm, takes an "optimistic view" of the prospects for investment trust shares, its latest survey is mainly depressing news for small investors who follow the sector.

The firm reports that the steady exodus of private investors from the industry continues apace. Hamish Buchan, Wood Mackenzie's research chief, calculates that no more than 32 per cent of the industry's shares are left in the hands of personal investors. That compares with 40 per cent in 1974—the latest official figure available—and 46 per cent in 1971.

Mr. Buchan offers no great hope that the trend can be reversed in the absence of a major revamp of our tax laws to give direct investment a better chance compared to investment via insurance and pension arrangements.

His overall optimism stems mainly from the hope that a revival on Wall Street would not only boost asset values but cut the discounts.

Ridgeway record

The tiny Ridgeway Building Society has stolen a march on the rest of the movement with its new guaranteed rate of 10 per cent tax-paid for three-year savers.

This compares with 9 per cent currently being paid by most societies on three-year money. And unlike the Ridgeway's, other societies' three-year rates are not fixed but move up and down in line with the basic investors' rate recommended by the Building Societies' Association.

The Ridgeway, whose assets last year were £4m, is based in Swindon. It is a member of the Building Societies' Association.

Gilts by post

Small investors who want to join the City stampede to buy gilts should take a look at the Post Office's National Stock Register service. Not only is this the cheapest way into gilts for most small investors; it has a major tax attraction for non-taxpayers.

If you buy through the National Stock Register, you are charged a brokerage fee of £1 for the first £250 worth of stock and 50p for each extra £125 worth.

In the case of most gilts, stockbrokers charge ½ per cent up to £2,000 with a normal minimum charge of £4.

For a £1,000 deal, therefore, the Post Office charges £4 compared to £6.75 through a stockbroker.

Income on stocks bought through the Post Office is paid before deduction of tax. The saver has, of course, to pay the tax later if he is liable but for non-taxpayers the system saves considerable bother. In the case of stocks bought through a stockbroker, income is usually paid net of basic rate tax so non-taxpayers have to claim a refund from the Inland Revenue.

Pets' corner

Want to invest in the good life? Barron's, the weekly American financial paper, has just the thing for pet lovers everywhere. It reports on the prospectus for an offering in International Pet Motels Inc., which should have us all beating a path to Prairie View, Ill.

"Dogs have two classes of boarding, Deluxe and Imperial, determined by the services provided. Dogs are never caged. Deluxe boarding includes vinyl carpeting in the sleeping area and one attendant for from 36 to 49 runs. Imperial boarding is the pampered pet care and includes astroturf carpeting in the sleeping quarters, a miniature brass bed, Sealy mattress, daily brushing and playtimes, and an average of one attendant for 25 runs.

"Deluxe boarders receive one cookie break of dog cookies each day in addition to the regular diet, while Imperial boarders receive an additional cookie break in the afternoon."

"FM music is piped to the kennels and catteries, and the staff reads letters sent to the dogs and cats from their owners. The staff will feed any animal any food which the owner specifies for an extra charge."

With all that, who needs lamp posts?

Small businessmen have recently been using loopholes in pension rules to slash their tax bills. The Inland Revenue has now blocked the most lucrative dodges, writes **Eric Short**

Clamping down on the good life

CONTROLLING DIRECTORS hoping to get tax relief on the cost of buying their yachts and racehorses were dealt a blow this week when the Inland Revenue tightened up its rules on small pension schemes.

The Revenue's Superannuation Funds Office (SFO) warned that so-called "captive" pension funds could lose their tax privileges if they make too free with the current scope to invest in a wide range of assets.

The Revenue's action follows comment in these pages in December, when we pointed out that there is nothing to stop a controlling director using his pension money, on which he has claimed tax relief, to buy yachts, racehorses or—more realistically—works of art. This is because the rules were so loosely written that such playthings could qualify as "investments" into which the pension fund of a small company could pump its money.

Our December article was criticised by many pension consultants as indulging in flights of fancy. But the SFO, which in a memorandum last week specifically referred to press comment on these schemes, evidently takes the possibility of abuse seriously.

The memorandum said: "It is unlikely that the SFO will be prepared to approve a small self-administered scheme which invests a significant amount of its funds in works of art or other valuable chattels or non-income producing assets, which could well be made available for the personal use of scheme members and lead to transactions between the trustees and the members otherwise than on a purely commercial basis."

Obviously what is acceptable in the case of the British Rail Pension Fund, which started a trend towards art investment four years ago with its purchase of a Tiepolo sketch, is out of bounds for the executive scheme of Joe Bloggs and Sons.

The withholding or withdrawal of tax approval is a very powerful weapon—but it is not the only deterrent the Revenue uses to control abuses, actual or potential, of captive schemes. It has had three years of experience approving these schemes and has obviously learnt much.

At the outset, the SFO's main fear was that members acting together could petition for the fund to be wound up and the assets—built up from tax deductible contributions—distributed among themselves.

And under an 1841 precedent *(Saunders v Vautier)*, the SFO could not block this tax-avoiders' dream. Such a dodge would be almost impossible with any sizeable company scheme but quite feasible with a small closely-knit family concern.

So for schemes with fewer than 12 members, the Revenue insisted originally on the appointment of an outside trustee—the "pensioneer trustee"—vetted by the SFO. His main duty was to prevent such a wind-up; but the bonus, as far as the SFO was concerned, is that he was also bound by trust law to administer the scheme according to the rules and make sure its money went into sensible investments. The withholding of approval, if nothing else, would act as a powerful sanction to keep the pensioneer trustee in line.

To get round this arrangement, all an employer had to do was include enough other employees, usually on much lower benefits, to bring the number up to 12. Then the company could appoint anyone it wished as trustees.

The Revenue is, therefore, now changing the rules to require a pensioner trustee to be appointed wherever members of a pension fund are a closely-knit group, even if there are more than 12.

The memorandum discusses at length how funds should be invested. Loans to scheme members are specifically prohibited, but otherwise the trust deed does not have to include any special restrictions on investment powers. Investment reports have to accompany the actuary's report.

The SFO has no outright objection to loans to the employer provided they are not so great that the scheme is effectively unfunded. The SFO would not question bona-fides where loans to the employer represented no more than half the assets.

On this point the SFO is much more relaxed than the Occupational Pensions Board in the care of contracted-out company schemes. Although one can justify a higher proportion for executives schemes which will be much closely tied to the company than employee schemes, 50 per cent seems a very high limit.

The SFO is also unhappy about the use of pension fund money to finance the future development of the parent company. It accepts that investment in land and buildings may be a good long-term investment for the pension scheme. But even so, it warns questions would need to be asked if the property purchased appeared to be an important part of the employer's own commercial premises and thus potentially difficult to realise.

If the SFO does clamp down on self investment back into the company, much of the tax attractiveness of these schemes disappears. But the consultants are almost certain to try and get the Revenue to change its mind. Its attitude here is somewhat inconsistent with that towards loans made to the company.

Finally, the SFO warns that it will not allow companies to contribute more money to the pension scheme, thereby avoiding tax, than the consulting actuary considers is needed to fund pensions.

The actuary is warned by the SFO that it will examine the assumptions used in the valuation—a point that upsets some actuaries. But Ken Burton, chairman of the Association of Consulting Actuaries, while he personally considers that these guidelines are not unacceptable, expects that there will be differences of opinion among actuaries on this memorandum. He feels that it will be a matter of discussion between the individual actuary and the SFO.

The SFO seems to have struck the right balance of control to prevent abuses in "captive" executive pension schemes while preserving flexibility. Such schemes can still be used to the tax advantage of both the company and the individual members.

The memorandum, Small Self Administered Schemes, is available from the Inland Revenue Superannuation Funds Office, Room 1006, Apex Tower, High Street, New Malden, Surrey KT3 4DN.

Spring warms the spirit of recovery

MINING

PAUL CHEESERIGHT

THE ATMOSPHERE in the mining industry has changed changed out of all recognition in recent weeks—it's nice to see people smiling again, said one executive as he contemplated the continuing strength of base metals prices.

There are few in the copper business who would have thought a month ago that the U.S. producer price would so quickly move up towards $1.00 a lb, yet this week Asarco posted a price of 95 cents. But behind the smiles there is a strong element of doubt. The rise on the market has gone too far, has been too fast, in the opinion of many.

"One swallow is a nice harbinger, but you need much more than that to make a good summer after such a harsh winter" was one comment. So there is no strong desire suddenly to make far-reaching investment decisions. Rather the past few weeks have seen a greater readiness to dust off old plans.

This is precisely what **Peko-Wallsend** has done in Australia. Its Tennant Creek copper smelter in the Northern Territory is to be re-furbished and re-opened as part of a A$37.5m (£21.3m) expansion programme. And, in the U.S., **Duval Corporation**, a **Pennzoil** unit, is to resume production at its Esperanza property in Arizona after a break of 18 months.

In fact, even before the surge in market prices this year, the producers were showing signs of recovery. There had been some advance in metal prices last year and the latest figures covering the 1978 fourth quarter from the companies show some return to financial health. The weaker members of the copper fraternity were no exception.

Mount Lyell, the Tasmanian producer in the **Gold Fields** group, has been surviving on aid from the federal Australian Government and the State Government. But it expects to return to profitability in the second half of its financial year to June. No subsidies have been received since last August.

Roan Consolidated Mines (RCM), the Zambian producer in which the state has a majority holding, has managed to sustain the recovery which first became evident last June. But it remains short of liquid resources and is still burdened with a heavy load of debt, so it looks as if it will be some time before it returns to the dividend list.

Net profits in the six months to December, the first half of its financial year were K18.5m (£11.5m) compared with a loss of K15.9m in the same period of 1977-78.

RCM's problem has been that it has not been able to gain the full benefit of the rise in London Metal Exchange prices. Deliveries are being held up by transport difficulties—sales in the December quarter were lower than in the September quarter. The average price RCM has been receiving for its copper has lagged behind LME quotations, although the company expects the differential to narrow if transport difficulties are sorted out.

Where RCM has been able to score heavily is in cobalt. Against a background of short supplies and high prices following the reduction in Zairean output, especially since the uprising in Shaba last May, RCM has been seeking to expand production and is commissioning a new plant. This should be a valuable source of extra revenue.

In the case of Canadian producers of base metals, there has been a special factor boosting the level of profits. This is the fall of the Canadian dollar. In the case of Noranda, many of whose products are quoted in U.S. dollars, it is estimated that each one cent decline in the Canadian dollar adds C$5m to the group annual net earnings.

After a strong final quarter, Noranda ended 1978 with net income of C$135.2m (£56.27m), compared with C$71.8m in 1977. The figure would have been higher but for a strike at the Gaspe copper mines which began in October.

Results like these, from different parts of the world, coming at a time when metal prices have been rising, have given the share prices of base metal producers a firm undertone, although trading in recent days has not been vigorous. Both Mount Lyell and RCM have this week been at or close to their 1978-79 highs.

The same is true about the tone of the gold share market, incidentally. The bullion price has been at record levels of over $250 an ounce and the latest U.S. Treasury auction of 1.5m ounces attracted bids for 3.25m ounces and realised an average price of $252.23 an ounce, but investors have been cautious.

If there is a mining stock of the week it is probably **Rio Tinto-Zinc** (RTZ) which has traditionally been sensitive to movements in the copper price.

At 294p it too is at a 1978-79 high, after steady rises in recent trading sessions. Its 72.6 per cent owned **Conzinc Riotinto** of Australia (CRA) has also been consistently firm in Sydney.

The circumstances then were propitious for the rights issue announced by CRA, which this week moved to check persistent rumours in Australia about a future offering. The issue is part of the group's plan, agreed with the Australian authorities, to raise the level of domestic equity holdings.

The effect of the rights issue will be to dilute RTZ's holding in CRA to 68.2 per cent, or, to put it another way, to raise the public shareholding in CRA from 27.4 to 31.8 per cent. For this change RTZ will receive a net A$2.19m (£1.22m).

The transaction works in two parts. First CRA will raise A$62m (£35m) by making a renounceable rights offer of 21.4m shares on the basis of one new share for every 15 held. The selling price is A$2.90 (162p), a discount of 75 cents on the Sydney closing price of Thursday.

Of this 21.4m shares, the RTZ entitlement is 15.5m shares. But RTZ intends to give up 14.6m shares—at a price. It is going to offer CRA shareholders one new share from its entitlement for every six they already hold at a price of 15 cents a right. Any shareholder taking up this offer—and it is non-renounceable — will therefore have to pay A$3.05 for this part of the transaction.

RTZ's financial gain therefore comes from the onward sale of its entitlement to the original CRA rights offer. The amount, of course, is tiny, given the group's earning ability, which will in any case be enhanced by the more favourable markets for a wide range of CRA products—base metals and gold, for the most part.

CRA is adopting what could prove to be a conservative dividend posture, telling shareholders merely that 1979 dividends on the enlarged capital should be no less than the 10 cents (5.6p) paid in 1978.

The new shares in CRA will attract half the 1979 interim dividend and the full final dividend. In a wider context, however, the creation of the new shares marks the first decisive move by CRA to build up its Australian shareholding since it was announced last month that the group was adopting "naturalising status." This is the term given to the process of moving towards at least 50 per cent Australian ownership in line with Government policy on natural resource groups.

The raising of new capital could be the springboard for a new expansion of CRA activities, and there is no doubt that the group wishes to see the RTZ holding diluted by this means rather than the simple sale of shares directly on to the market.

TIN OUTPUTS COMPARED

	Jan., 1978 tonnes	Dec., 1978 tonnes	Total to date tonnes	(months)	Same period previous year tonnes
Amal. of Nigeria (tin)	138	218	1,519	(10)	[illegible]
Amal. of Nigeria (columbite)	23	23	258	(10)	[illegible]
Aokam	119	120	839	(7)	[illegible]
Ayer Hitam	185	335	1,370	(7)	972
Berjuntai	353	287	3,150	(9)	3,781
Bisichi Jantar (tin)	¶	¶	319¾	(11)	362
Bisichi Jantar (columbite)	¶	¶	301	(11)	367½
CRM Sri Trimah	68¼	92½	68¼	(1)	144¼
Ex Lands Nigeria	22	31	22	(1)	27
Geevor‡	¶	52	853	(9)	787
Gold and Base (tin)	¶	¶	275	(11)	300
Gold and Base (columbite)	¶	¶	4	(11)	7
Gopeng	158¾	163½	651	(4)	555¾
Idris	20½	18¼	20½	(1)	20½
Kamunting	46	43	365	(10)	413
Killinghall	51½	20½	149	(4)	228½
Kinta Kellas	55	60½	391¾	(10)	422½
Kuala Kampar	19	18	207	(10)	284
Lower Perak	18	24	231	(9)	237
Malayan	232	230	1,810	(7)	1,498
Pahang	107	127	742	(6)	914
Pengkalen	0¾	7½	24	(4)	41½
Petaling	122¾	121½	365¾	(3)	302
Rahman	70	65	498	(7)	484½
St. Piran—Far East	40	19	257	(10)	177
St. Piran—UK (South Crofty)	195	136	1,811	(10)	1,839
St. Piran—Thailand	74	86	966	(10)	906
Southern Kinta	153	156	1,434	(10)	1,423
Southern Malayan	212	247	1,551	(7)	1,209
Sungei Besi	224	218	1,919	(10)	1,615
Tanjong	15	18	15	(1)	11½
Tongkah Harbour	110	45	448	(7)	288
Tronoh	174	181	174	(1)	211

‡ Figures include low-grade material. ¶ Not yet available. Outputs are shown in metric tonnes of tin concentrates.

Only rarely is a great new car launched. The Vauxhall Royale is two great new cars. The Royale Saloon and the Royale Coupé.

Both models have beautifully proportioned aerodynamic body designs which transcend the whims of fashion. Both models share a sophisticated suspension system and reassuringly responsive steering.

And both models boast a powerful, yet quiet, 2.8 litre 6-cylinder engine of remarkable smoothness.

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Each year, many cars are launched, few are chosen. Choose one of the few.

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ROYALE SALOON £8,354. COUPÉ £8,662. PRICES, CORRECT AT THE TIME OF GOING TO PRESS, INCLUDE CAR TAX, VAT AND FRONT SEAT BELTS. DELIVERY AND NUMBER PLATES EXTRA. MANUAL TRANSMISSION AVAILABLE AT NO ADDITIONAL COST. AIR CONDITIONING AVAILABLE AS AN OPTIONAL EXTRA. FOR DETAILS OF YOUR NEAREST DEALER, RING LUTON (0582) 21122. EXT. 4159. FLEET AND MASTERHIRE LEASING ENQUIRIES, EXT. 4160. PERSONAL EXPORT ENQUIRIES, EXT. 3830.

LEISURE

CHESS

LEONARD BARDEN

KTOR KORCHNOI received ısolation for his near-miss in world championship at guio City when, earlier this nth, international chess urnalists voted him top player 1978 in the annual world car contest. It was an intrigu- question whether Korchnoi's roic recovery from 2-5 down ainst Karpov, plus his gold dal at the Buenos Aires chess mpics, would count for more an Karpov's retention of the le and his joint first prize in strong Bugojno, Yugoslavia, urnament.

The Oscar voting for the rld top ten of 1978 was Korch- i 707, Karpov 689, Timman olland) 587, Portisch (Hun- ry) 541, Spassky (USSR/ ance) 432, Larsen (Denmark) 3, Dzindzihashvili (Israel) 193, ndersson (Sweden) 182, Miles ngland) 159, Tal (USSR) 152. Each journalist voter had to t twelve preferences in scending order so that his top oice received 12 votes, the next 11, and so on. The Oscar, sponsored by the Spanish department store El Corte Ingles, has gained an increasing reputation in its twelve years of existence mainly by virtue of accurately reflecting popular world opinion. Previous winners were 1967 Larsen, 1968-9 Spassky, 1970-2 Bobby Fischer, 1973-7 Karpov.

Lower down the list of preferences it can be argued that some omitted names really deserved a place. I was surprised that Tony Miles, fifth in 1977, got in the top ten again, for 1978 was not a vintage year for the British No. 1 and his only major victory was at the Amsterdam zonal.

On the other hand, the Soviet grandmaster Zeshkovsky accomplished a remarkable feat by winning successively the USSR First League and the USSR championship; while my own list of twelve votes included Maia Chiburdanidze, who won the women's world title at only 17, and Garik Kasparov, whose debut in the USSR championship at 15 had the hallmark of a future world champion.

In 1977 the journalist voters gave Karpov the Oscar by a margin of only four—623 to 619 —over Korchnoi, and it is clear that these two are at present a long way ahead of possible rivals. The World Chess Federation (FIDE) Elo rating list, also issued this month, confirms this impression by assessing Karpov best at 2705, then Korchnoi 2695 —but since the last list Karpov has dropped 20 points while Korchnoi has gone up 35. Their nearest rivals are Portisch and Spassky 2640, Polugaevsky and Timman 2625, with Miles far back in 24th place, rated 2560.

Karpov has not played any serious chess since the match in Baguio City, while Korchnoi has rested since his efforts for Switzerland in Buenos Aires. However, both are back in action this month. Korchnoi has been playing in the international tournament at Sao Paulo which finishes this weekend, while Karpov begins his comeback tomorrow in the West German grandmaster event at the Munich Hilton, but it will require a medium miracle for any organiser to get them both in the same tournament.

Britain will be represented both at Sao Paulo and in Munich by Michael Stean, Korchnoi's second in Baguio and unfortunately eliminated from the next round of title competition in the Amsterdam zonal. To play in two such tournaments without a break is a test of stamina, but Stean felt he should not pass up the chance to "have a go at Karpov."

This week's game is from one of the major 1978 events and helps to show why the Oscar voters ranked the young Dutch champion next in line after the two great Ks.

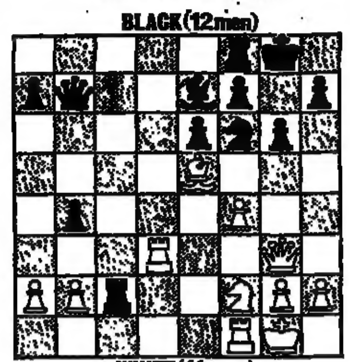
White: J. H. Timman. Black: B. Larsen. Opening: Sicilian Defence (Tilburg 1978).

1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, N-KB3; 4 N-B3, PxP; 5 NxP, QN-Q2; 6 B-K2, N-B4; 7 P-B3, P-KN3 (a dubious experiment since Black now has a Dragon variation without N-QR4-B5 counterplay; better P-K3).

8 B-K3, B-N2; 9 Q-Q2, B-Q2; 10 P-KN4! (dislocating Black's undeveloped forces), N-R5; 11 P-N5, N-R4; 12 NxN, BxN; 13 P-KB4, Q-Q2 (hoping to castle long); 14 BxN, PxB; 15 N-B5, B-B1; 16 B-Q4, R-KN1; 17 O-O-O, R-N3; 18 Q-K2, P-KR3; 19 PxP, BxP; 20 NxB, RxN; 21 KR-N1, R-N3; 22 B-B5, RxR; 23 RxR, O-O-O; 24 BxP (Black's king is still caught, and there is no defence to White's rook invasion via the third rank), P-K3; 25 R-N3, PxP; 26 R-B3 ch, B-B3; 27 P-N4, Q-K3; 28 P-N5, QxRP; 29 Q-B2, Resigns.

POSITION No. 256

BLACK (12 men)



WHITE (11 men)

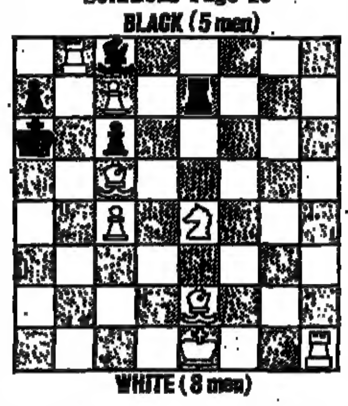
J. Miralles v. H. Angantysson, Stockholm 1978-79. White (to play) set a double trap with his next move. The puzzle is to find the traps, then decide whether Black could have avoided both of them.

PROBLEM No. 256

White mates in three moves at latest, against any defence (by Dr. K. Fabel D. Waarheid 1974).

Solutions Page 16

BLACK (5 men)



WHITE (8 men)

BRIDGE

E. P. C. COTTER

ROM TIME to time a declarer nds himself short of entries the to the table or to his wn hand, and looks around for ome means of creating another. good defender, therefore, ust be on the alert to foil any uch attempt. Here is a hand rom rubber bridge which xplains what I mean:

	N	
	♠ A Q 9 ♡ K 6 4 ◇ 10 6 ♣ Q 10 8 6 5	
W ♠ 10 8 7 6 ♡ Q J 10 9 7 ◇ K Q 8 2 ♣ —		E ♠ 5 4 3 ♡ A 8 5 3 2 ◇ A 4 ♣ J 9 3
	S ♠ K J 2 ♡ — ◇ J 9 7 5 3 ♣ A K 7 4 2	

North-South had won one game when South dealt and bid one club—one diamond would be more usual—and North raised to three clubs. South rebid three diamonds, and North went three no trumps, which makes against the normal heart lead from East, but South did not fancy that contract, and rebid five clubs, which was hardly a classic sequence.

West led the heart Queen, dummy and East played low, South ruffed and cashed the Ace of trumps. West's failure to follow suit clearly disturbed him, and after thought he led the two of spades, finessing dummy's nine. When this held, he returned a heart and ruffed in hand. Crossing again to the spade Queen, he ruffed another heart, cashed the King of trumps, and went over to the Ace of spades to draw East's last trump, conceding two diamonds and claiming 11 tricks.

West should have asked himself why declarer, after just one round of trumps, had led a spade. He must have decided that ruffing diamonds on the table involved too much risk of an overruff, and that a dummy reversal offered more chance of success. For this he would need three entries, two for ruffing hearts, one for drawing the last trump. East must hold three trumps to the Knave—there was no other explanation. In that case West should have played his ten of spades on the two, destroying that extra entry into dummy, and defeating the contract.

The second example illustrates another entry-destroying play:

With East-West vulnerable, South opened the bidding with one heart, North replied with one spade, and South rebid two clubs. Now North made the intelligent bid of two diamonds —fourth suit forcing was not included in their bidding system

	N	
	♠ A J 10 4 3 ♡ 7 4 ◇ A 8 4 ♣ 10 7 2	
W ♠ K 8 5 ♡ J 6 3 ◇ K Q J 7 2 ♣ 6 4		E ♠ Q 7 6 ♡ Q 8 5 2 ◇ 10 9 ♣ 9 8 5 3
	S ♠ 9 2 ♡ A K 10 9 ◇ 6 5 3 ♣ A K Q J	

—South said two no trumps, and North raised to three.

West led the diamond King, and dummy's Ace was held up until the third round. Then the declarer came to hand with a club, and led the spade nine. East and West were both mediocre performers, and this is what occurred. West played small, and East won with the Queen, returning the two of hearts. South won with his Ace, led his other spade, and finessed the ten on the table. When the Ace of spades dropped West's King, there were no further problems, and South gathered in ten tricks.

If East is a good player, he lets the spade ten win. This does not break the contract, but it does save the overtrick, which may be very important in a pairs.

If West is a good player, he plays his King on the first spade lead. This defence effectively shuts out the spade suit, and defeats the contract.

Days of power play

A MEETING has been convened for the Belfry Country Club on the outskirts of Birmingham for the week before the Open championship. Officials of the world's Professional Golfers' Associations will gather—and not a moment too soon—to try to sort out the knotty problem of the fixture lists that still are giving trouble around the world, despite the intervention of those managers who would like to take over it and them.

Deane Beman, commissioner of the United States PGA tour, will be among those present, trying to defend his remarkable product, which is a $13m, 300-competitor circus of individuals that is quite extraordinary in that he has no control over the four major events on the international calendar, the U.S. Masters, the U.S. Open, the British Open and the U.S. PGA championship in chronological order.

It is odd in this day and age when professional sport seems entirely tied to the purse strings that Mr. Beman has no such say in the four best events in the calendar.

But golf is an odd game in that no one has a fat contract, except with clothing manufacturers, equipment manufacturers, and the like. When your champion tees it up he can earn only what his ability deserves in the week in question. No one owes him a living. He is unlike the soccer players, the American football players and the increasingly wealthy cricketers or baseball hitters. He earns exactly what his clubs carve out for him.

The meeting of the officials is obviously to sort out a kind of worldwide circuit that will hopefully prevent clashes of interest —and even more hopefully will eliminate the need for appearance money—which is at the moment part and parcel of every tour outside the United States, where such a commodity is illegal.

Beman has all the trump cards. When he played he was the traditional David trying to keep pace with the Goliaths. He was 10 st 10 lbs and 5 ft 7 ins tall, the man who used a four wood for his second shot until that club was in danger of becoming flammable while those around him were using seven and eight irons for their second shots. He still managed to win two United States amateur titles and missed a third by one shot. He won the 1969 British Amateur Championship in one of the greatest—if not the best—putting displays I have ever seen over the heavyweight Bill Hyndman. In the same year he was only one shot away from winning the U.S. Open Championship.

Now he is trying to protect the monster he has created. He has sold the rights for television for his tour to the CBS network for $30m for the years 1979, 1980 and 1981, and now he has to justify that sale by producing someone from the masses to replace Jack Nicklaus, who is playing a smaller and smaller part in the scheme of things.

It is a terrifying assignment. And Mr. Beman, like some conjuror, has to draw a rabbit from the hat very soon if he is to make his produce a saleable one before the end of 1981. At the moment Lee Trevino is in Los Angeles playing for his life after back surgery as if he is conscious of the face that he could be the golfing Messiah. One hopes that this could be the case, for he is still—despite the fact that one might have heard his jokes many times before— the only really entertaining character on the tour.

At the moment golf is in a wonderful position here in that the ratings on television which govern all other types of programmes do not appear to matter to the captains of industry who decide to buy the commercial time that makes golf programmes not only a possibility but in fact a weekly event on national TV. One

GOLF

BEN WRIGHT

wonders how long this extraordinary situation will exist, in that all of the commercial time connected with CBS TV's more than 20 tournaments this year was sold before the end of August, 1978.

Here in Los Angeles the Glen Campbell Los Angeles Open is currently being fought out without many of the household names on a golf course, Riviera, which would be hard to improve upon since it has all the virtues of tight fairways and tiny greens. Once again, however, the weather has taken a hand in the proceedings.

It is impossible to remember the start to a season when the weather has been so destructive, and needless to say this is severely interfering with the television ratings. Everyone is in a state of panic here in case the tournament runs over into Monday, which would ensure that two men and a dog will probably watch the final stages on TV and the advertisers will once again go into a huddle to decide whether their enormous outlay is just a sorry waste. Chevrolet has taken a $13½m stake in the CBS golf productions for 1979, offering each week a car to the professional who lands his tee shot closest to the pin in the final par three (the player in question has the use of the car for a year), he is also able to donate to the university of his choice a $1,000-per-year scholarship).

It is only fair to wonder whether golf has reached its peak in terms of public and sponsor appeal. $13½m is an awful lot of money, yet Mr. Beman claims that there are sponsors queueing in the wings. The meeting at the Belfry will be an interesting one because Mr. Beman has been none too generous in supporting the circuits of the other countries that occasionally overlap with his own. It is essential for the good of the game that he be more generous in the release of his players to compete worldwide.

The need for an international tournament circuit has been so obvious for so long that perhaps this time the man who really has world power in golfing terms at his fingertips will be more generous than he has been in the past.

Hikari could confirm form

OPINIONS APPEAR to differ about the value of Hikari's runaway victory over Aldo at Newbury a fortnight ago. There were some, for instance, who cavilled at Derek Kent's colt for his failure to quicken immediately when sent up to join Aldo between the last two flights.

On the other hand, those who place reliance in the clock point out that his time was faster than that recorded by the winner of the Schweppes Gold Trophy run an hour later, and almost two seconds faster than that registered by Pollardstown over course and distance the previous day. These two are now first and second favourites, respectively, for the Daily Express Triumph Hurdle to be run at Cheltenham on March 15 and there is an opportunity to assess them in the Tote Place-pot Hurdle at Kempton this afternoon. My preference is for Hikari.

Since going under to Night Nurse at Ascot in December, on his first appearance over fences, Dramatist has won four consecutive races. His jumping has improved with each outing, he will be as fit as any horse in the Galloway Braes Novices' Chase, and I shall be surprised if he is beaten.

Secret Ballot, a half-brother, by Reform, to Beacon Light,

RACING

DOMINIC WIGAN

would, in the opinion of many, have defeated the Irish invader. Yellow Dean, at Ascot last month had he not been ridden too confidently. But the form of that race, in which Pollardstown finished third, reads well, and I expect Mr. Joel's gelding to make amends in the St. James's Novices' Hurdle.

Even Up, another who was successful at Newbury a fortnight ago, will go well in the Tote Pattern Handicap Chase, though I doubt his ability to cope with Coolishall at level weights. And Rodman, who showed distinct signs of recapturing his form of last season when fourth behind Western Rose at Newbury on December 30, looks best in the Rendlesham Handicap Hurdle.

At Stratford Spring Frolic, who started favourite for the Schweppes Gold Trophy, is the possible winner of the Ladbrokes Handicap Hurdle; and Martinstown, who was brought down on his last appearance, is expected to go well in the Cymbeline Novices' Handicap Chase.

KEMPTON
1.30—Secret Ballot***
2.00—Hikari
2.30—Coolishall**
3.00—Dramatist
4.00—Rodman*

STRATFORD
2.30—Spring Frolic
3.30—Martinstown

TEESSIDE
2.15—Irish Tony
2.45—Battlement

MOTORING

A new space project

BY STUART MARSHALL

Vauxhall's Carlton Estate.

FOR YEARS, buyers of big estate cars have been neglected by our own car makers. Anyone wanting a bigger estate than, say, a Marina, Cortina or Avenger has had to go foreign.

The choice has been between the Peugeot 504 and Citroen CX Safari from France, the Ford Granada or Opel Rekord from Germany, and Sweden's Volvo 245.

The Vauxhall Carlton Estate I have been driving is not really British through and through because it is assembled at Luton from German-made components, but at least it *could be called Anglo-German*. Except for its cosmetically-changed nose and slight interior variations, it is an Opel Rekord, and none the worse for it, in my view. Without doubt, it is the best estate car ever to have appeared with a Vauxhall badge.

The engine is a straightforward two-litre, four cylinder, producing 100 horsepower at 5,200 rpm and is tolerant of 3-star petrol despite its 9.0 to 1 compression ratio.

It started first flick of the key on its automatic choke after a frosty night in the open, pulled eagerly while warming up and returned nearly 24 mpg during 400 miles of mixed motorway and town driving.

One of the pleasantest features of the Carlton is its free-running, long-legged quality. On the motorway, it takes a conscious effort to hold the speed down to 70 mph. In the gears, second is good for 50 mph and third will show more than 80 mph without the engine sounding particularly hard worked. At low speeds it pulls smoothly enough, but what appeared to be an exhaust vibration set up a resonant, low frequency boom in the body. This is a problem in some, but not all, large capacity estate cars. In the Carlton, it disappeared as soon as one changed down. This one fault apart, the car was as refined as an executive saloon. In fact, the engine was so quiet that, having gone into third for a sharp bend, I forgot to change up into top again on several occasions.

The gearshift is light and accurate and the little collar that has to be lifted is a neat way of avoiding accidental selection of reverse. A fully laden, briskly driven estate car demands good brakes and the Carlton's power assisted front discs, rear drums were most effective. The handbrake is of a sensible size and is easily applied.

For a big estate with a permitted payload of 11½ cwt (585 kgms) the Carlton has an excellent ride, with little variation between driver only and crammed full. It is just about as good as a Peugeot 504—and praise can go no higher.

At low speeds the steering is heavy enough for the lack of power assistance to be regretted but it lightens up nicely once on the move. A 32 ft 6 in turning circle makes the Carlton easy to tuck into parking spaces. One would not normally buy a large estate to drive like a sports car, but it can be swung confidently along wet and winding roads, cornering with just a little roll but never forgetting its manners.

The driving position is excellent; the seat can be raised, lowered, reclined and shoved to and fro enough to suit anyone, *however tall or short*. The seats are soft without being squashy and there is room enough for a *third person on the back bench*. Lowering the back seat to extend the load floor could not be easier. You flip a catch on either side and fold it down, without having to bother with lifting up the seat cushion. The load floor is then nearly 6 ft 6 in long and 4 ft 4 in wide, narrowing to 3 ft 4 in between the wheel arches, and is fully carpeted.

The Carlton Estate has a high specification. Two speed and intermittent wipers, a rear window wash/wipe, front seat headrests, quartz clock, laminated screen and lights in the load space, interior, engine compartment and even the glove box are standard. So, too, is a push button radio. The heater delivers masses of warm air at foot level, demists the front windows and lets the driver have cool air at face level—an ideal combination for staying alert on a long winter journey.

At £5,715 the Carlton is just £99 cheaper than the almost identical Opel Rekord estate on which, curiously enough, power steering is available as an optional extra. It is a little more expensive than the Peugeot 504GL estate (£5,653) and Ford Granada 2000L estate (£5,423) *but cheaper than the 2.5 litre* Citroen Safari (£6,433 including power steering) or the Volvo 245DL estate (£6,323 without power steering).

If you are in the market for a spacious family estate with all mod. cons., the Carlton could turn out to be a desirable property. Early inspection, as they say in the trade, is advised.

Finding the way

AT THIS time of the year many motorists start to think about their summer holidays and begin casting around for help and information. For once Britain seems to be in the lead. I know of no country which is quite so well organised in the provision of helpful detail, interestingly displayed than Britain itself.

Since it was only a decade ago that the UK was woefully behind in this matter it is probably still true that many domestic tourists do not bother with contacting their own local tourist boards.

Fairly typical of the sort of high grade material coming from the tourist boards are a couple of newly published booklets *A Week Away in North Devon and Cornwall* and *Touring Cumbria and Northumbria*. Both are published by the English Tourist Board (4, Grosvenor Gardens, London SW1W 0DU) in co-operation with the local boards.

But, as I say, these are just examples of the wealth of material that is coming from English, Scottish, Welsh and Northern Ireland tourist Boards these days. Also out this month is a new guide to facilities for activity and hobby holidays in England, ranging from industrial archeology and ballooning to sand yachting and fencing.

The North Devon and Cornwall, and Cumbria and Northumbria booklets are available free from the English Tourist Board, Hendon Road, Sunderland SR9 9XZ. The activity holiday paperback guide can be obtained from the same address 50p plus 15p p & p.

ARTHUR SANDLES

TRAVEL

TRAVEL

Courses in the sun

BY ROGER PAUL

I HAVE A FRIEND who, whilst normally only fairly boring after his annual golf holiday, is currently quite unbearable. We, the workers in his fourball, have learned to live with remarks like "You know, I never realised how like the sixth at Corfu our fourth is," and "If you think that was a good putt you should have seen the one I holed at Guadalmina."

You don't, after all, have to reply to these comments; it is sufficient unto the maker that they are made. But can you ignore a man who, on the first tee and with studied casualness, says "Last time I played it was nine holes in Katmandu." I confess our fourball was not up to it and it took three holes of mono-travelogue before our man was silenced by his partner who reminded him that he was now back in this country, adding, "and you're playing quite Nepallingly."

For many of us, though, a considerable part of the pleasure of a holiday is the reminiscing, and if golfers tend to go on about it more than most, then that is part of the penalty we pay for playing such a talkable game.

The requirements for a golf holiday differ, of course. For some it is just that—a golf holiday; whilst for others it is a holiday with golf, and probably the family as well. Fortunately the travel industry has recognised that there has been a boom in the game and whereas a few years ago golf was incidental to the brochure, there are now whole catalogues devoted to the subject.

There is no better time than now to study golf brochures, and for two reasons. Firstly, if you want to go in the summer you will need to book up immediately, as there is likely to be an under-capacity for many places this year. Secondly the best purely golf holiday is, surely, taken in these bleak winter months; and in any case just looking at the brochures is more fun than re-cleaning your clubs.

Money, of course, comes into it and left to myself with unlimited funds I would probably vanish from sight, being last seen heading for California, Hawaii and Fiji. Or I might, on the way, drop in on Bermuda. The cliches bestowed on this tiny island are true. It is a jewel set in blue seas, *etcetera*. For the golfer it is near paradise.

Bermuda is a staggeringly lovely place to look at. Lushly green on the inside and pink around the edges and the best place of all to boggle at it is the golf course. It is nearly the *only* place to look at it. The island is but a straggle of 21 square miles and yet contained in that small area are nine courses. Two of them, Mid-Ocean and Castle Harbour are world-renowned and a third, Port Royal, soon will be.

Mid-Ocean is as majestic as its name insists. Some of it's holes will stay in the memory for ever, however you play them. The 18th, for instance. Stand on the tee and below you is a thin ribbon of sand and all the rest that fills your gaze is Atlantic Ocean.

Castle Harbour is the prettiest of the courses. It is only 6,200 yards but every hole is a scenic miracle of you are feeling lyrical—and several of them are murder if you've got a slice. God was in His heaven when I played there and it mattered not that Satan was in my bag. The loudest noise you hear in Bermuda is the screech of the Kiskadee, a flash of brilliant yellow in the cool, green trees. Play Castle Harbour slowly, and look around.

I played Port Royal with it's proud professional, Francis Rabain, one-time guitar accompanist of Sarah Vaughan. Rabain's enthusiasm is well justified for this young course improves perceptibly by the month. It has a finer growth of fairway grass than the other two courses and the 16th is becoming one of the most famous holes on the island. Just 149 yards long it has the Atlantic on its left and the cliffs swing into the green just in front. There is no playing short, there is a fiendishly placed bunker on the seaward side, and a big copse of trees on the right. You simply have no option. You have to go for the pin and you mustn't be short and you mustn't be long.

If I could tear myself away from Bermuda, and ignore the Caribbean blandishments of Tobago and the delights of the Bahamas, I would head for Palm Springs.

This is a place so far outside the European concept that it almost passes belief, and is an experience not to be missed. The architects have taken a large lump of desert, added grass seed and water, and built nearly 40 golf courses. They are lush, excitingly designed and yet, because it is an American resort area, quite playable from the members tees. Mission Hills, which has Peter Oosterhuis as it's touring professional and is the home of the Colgate Dinah Shore Winners Circle tournament every year, has some oustanding holes, including the now famous 18th.

It gets hot in Palm Springs and the months of summer are the low season when if you wear enough to be cool, you will probably burn and if you cover up you will suffocate. But for the remainder of the year it is one long fascinating challenge.

There is, of course, La Costa and also the Monterey Peninsula, all of them brought within range of the British pocket by the Skytrain service to Los Angeles.

I have so far ignored Europe, and I will continue to ignore Spain and Portugal for the purposes of this article because their attractions are mostly well known.

But if you are looking for something a little closer to home, just a brief word about Corfu and France. Corfu, besides being an outstandingly pretty place where the family can safely be left to explore, claims one of the most attractive golf courses of recent years. It is built in the Ropa Valley, just behind the secluded Bay of Ermones, about 10 miles from Corfu Town, and I even found playing by myself bearable because of the views. The greens are probably the best in the Mediterranean and so far the place has the considerable added virtue of not being crowded.

Addresses: Bermuda Tourist Department, 9-16, Savile Row, London W1X 2BL. Euregolf Limited, 41, Watford Way, Hendon, London NW4 3JH. For Corfu, Premier Travel Agency, 7, Rose Crescent, Market Hill, Cambridge CB2 3LW. French Government Tourist Office, 178, Piccadilly, W1V 0AL.

SNOW REPORTS

EUROPE		
Flaine (Fr.)	75-350 cm	S. facing lower slopes icy.
Val d'Isere (Fr.)	150-300 cm	Good skiing on north slopes.
Davos (Sw.)	33-145 cm	Upper runs good, lower icy.
Verbier (Sw.)	50-170 cm	Ice on lower slopes.
Wengen (Sw.)	27- 90 cm	Good skiing on new snow.
Niederau (Aus.)	20- 40 cm	Nursery slopes good.
St. Anton (Aus.)	45-155 cm	Spring conditions.
Seefeld (Aus.)	30- 90 cm	Upper runs icy or worn.
Voss (Nor.)	165-190 cm	Excellent conditions.

European reports from Ski Club of Great Britain representatives.

THE U.S.		
Sugarbush (Vt.)	12- 35 in	Loose granular. All runs open.
Stowe (Vt.)	5- 15 in	Packed powder/frozen granular.
Hunter (N.Y.)	35- 80 in	Loose granular. All runs open.
Park City (Utah)	77-108 in	New powder on packed. Snowing.
Aspen (Col.)	28-105 in	New powder and still snowing.
Squaw Valley (Calif.)	58-108 in	New powder, snowing. Windy.

Figures indicate basic snow depths at top and bottom stations.

SCOTLAND	
Cairngorm	All runs complete. New snow on firm base.
Glenshee	All runs complete. Hard pack.
Glencoe	All runs complete. New snow on firm base.
Lecht	All runs complete. Hard pack, icy patches.

WHERE TO SPEND IT

EDUCATIONAL

HOLIDAY ACCOMMODATION

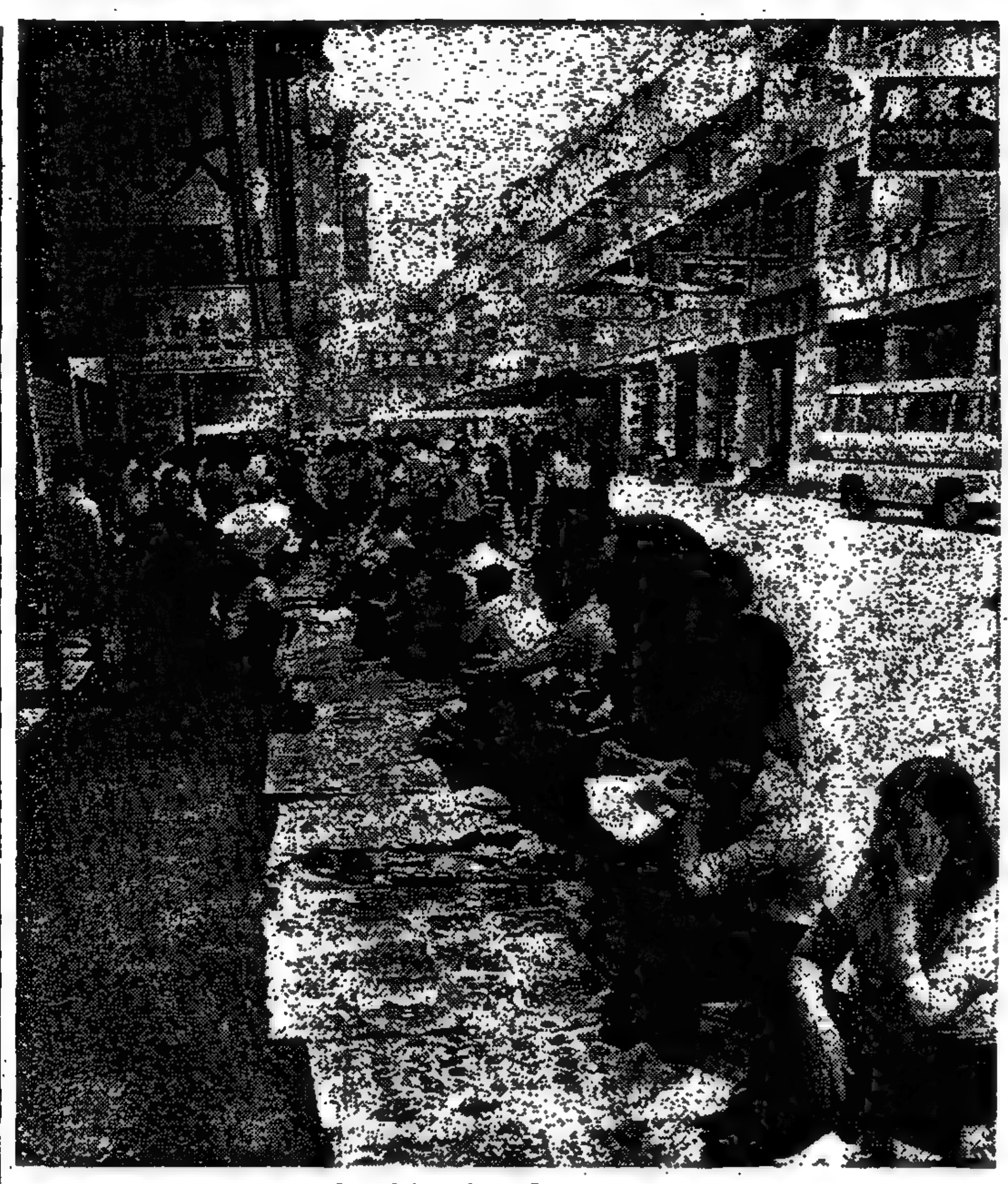
HOW TO SPEND IT IN HONG KONG

by Lucia van der Post

The Emporium of The East

IF THERE is a place that makes shopping more fun, more irresistible than Hong Kong, I haven't yet been to it. It's no longer the bargain basement of the world but it is still a source of endless pleasure, a place where, in one of the most crowded areas on earth, you can find almost anything from a pair of cheap jeans for £2 to a priceless diamond bracelet, from a charming birdcage for £3 to a made-to-measure suit *for £70.*

British Airways tell me that business travellers account for 43 per cent of the traffic to Hong Kong—I only know that if my husband were part of it I'd do all I could to raise the £338.50 for the Apex return flight and join him. I'd take as big an empty suitcase as I could find (or buy out there), a really comfortable pair of shoes and be off. Lest all that sounds terribly extravagant most things in Hong Kong seem to represent such good value that natural spendthrifts like me are soon able to convince themselves that really it would be foolish not to buy. The more sensibly-minded will find plenty to do without spending very much—food is astonishingly good value and away from the shopping areas there are lovely places to see and visit.



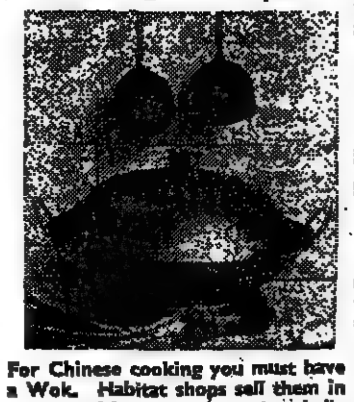
The jade market in Canton Road

FOOD

THEY SAY you can dine in a restaurant every night of the year for six years in Hong Kong and never visit the same one twice. I can believe it. I became addicted to Chinese food, having always been very unimpressed by most versions I'd met in London. In Hong Kong I found it light, delicious, delicate and good value.

A marvellous lady called Lucy gives very characterful performances in Hong Kong showing just how it all really should be done. Here is her recipe for Sweet and Sour Pork.

Ingredients: 12 oz lean pork shoulder cut into cubes; 1 red pepper, 1 green pepper, 2 ozs pineapple, 2 ozs onion (all cut into cubes) and 1 tablespoon garlic (finely chopped). For the seasoning you will need: 1 tablespoon light soy sauce, 1 egg, ½ teaspoon sugar, 1 teaspoon salt, 1 teaspoon sesame oil and 4 ozs cornstarch. For the sauce: ½ cup of water, 1 chicken cube, 1½ tablespoons vinegar, 3 tablespoons sugar, 3 tablespoons tomato sauce, 1 tablespoon cornstarch, 1 tablespoon tomato puree.



For Chinese cooking you must have a Wok. Habitat shops sell them in a set with a steel spatu, ladle and 6 pairs of chopsticks and a recipe leaflet for £8.75.

Mix all the seasoning ingredients together and dip the pork cubes in the mixture, leaving it to sink in for about 10 mins. Then rub the cubes with cornstarch and deep fry in hot oil until golden brown. Remove and keep warm. In two tablespoons oil brown garlic, stir fry the other ingredients, add the ingredients for the sauce, bring to the boil, thicken with cornstarch, pour on top of the fried pork and it is ready to serve.

ARTS AND CRAFTS

HARBOUR VILLAGE is to be found on the Kowloon side in Star House, Salisbury Road, just by the Star Ferry terminus. It *is great fun to visit and you* should devote at least half a day to it. It's open on Sundays as well so if, like us, you're leaving on Sunday evening and you still haven't finished your *shopping, you can do much of* it there.

As you enter the Harbour Village it really is like entering another world—full of light, noise and colour. It's more than just a shopping centre, in that it's full of happenings as well.

You can have your fortune told (by hand or face reading). We all had our fortunes told and no punches were pulled (one of our party was reprimanded for not taking her marriage seriously, another told not to drink so much. I got off lightly "You worry too much about small things and in three years time your life is going to take off." *I don't know how* I can bear the suspense).

You can see many old Chinese crafts in action—Mr. Lam Kam Shek makes lovely flour dolls, Miss Tsui Yee Lin makes egg *rolls, there's Chinese water*colour painting, somebody else does basketwork, others transform scrolls with calligraphy, and there's an ear-drum shattering lion dance. You can consult an acupuncturist or eat in the Jade Garden restaurant.

You can buy crafts of all sorts from gaudy paper lanterns and decorations to hand-embroidered slippers, linens, china, basketwear and jewellery.

JEWELLERY

IN HONG KONG there are more jewellery shops per square mile than anywhere else in the world. That's what they say in the guide books and that's certainly what it seemed like.

Jewellery, like almost everything else in Hong Kong, has no tax or import duty added to it and given the low labour costs, it has become one of the great jewellery markets of the world.

If you're just buying trinkets then buy what you like and be happy with it. If you want to take the opportunity to buy something more expensive then there are a few precautions to take. First, shop around a bit so that you get the feel of the market. Go to a reputable jeweller and always get a very detailed receipt (i.e., specifying stone, and its weight, gold and silver content, etc.). Hong Kong is a very good place to buy loose stones and there are masses of craftsmen who will make up jewellery to your own design—however, be sure that you have agreed on every detail of the design before letting the craftsman go ahead.

Diamonds are, on average, about 10 per cent below world market prices and you can get a list of reputable diamond dealers and shops from the Diamond Information Centre, 7/F. Seabird House, 22-28, Wyndham Street, Central.

If you want antique jewellery, the Communist China Stores have very fine collections. If you can somehow get an introduction to a factory producing jewellery (not very difficult in Hong Kong where everybody knows somebody who knows somebody else) you can buy direct from the factory—I bought a lovely string of rosequartz beads which were strung to my exact requirements in front of my eyes for £5.

For jade a risky but fun way to buy is to go to the jade market which is in the Canton road and operates every day (except rainy ones) from 10 until 2 pm. It takes years to become a real expert on jade but for inexpensive buys you can hardly go wrong—after all a pretty bracelet at £2 that looks for all the world like jade is a good buy if it pleases you.

If you want to buy for investment, either make sure you *know what you're doing or go to* a reputable shop. As a rough guide, the best jade is a deep translucent green and it should be even in colour and not mottled or cracked. In a string of beads the more even the beads and the colour the better.

WATCHES, RADIOS ET AL

MOST PEOPLE think of buying the really expensive things like cameras, hi-fi and the like in Hong Hong as the popular myth has it that there are huge savings to be made. The experience of our group in Hong Kong was that, yes, it was worth buying there but the savings are no longer what they used to be.

Most people tell you to shop around but one girl who was buying a great deal of expensive photographic equipment for her photographer husband and did a great deal of foot-slogging research found that prices didn't vary by very much.

If you know exactly what you want check on the prices at home before setting out. The Hong Kong Tourist Association puts out a booklet called "Bargain Guide to Shopping" and this gives the up-to-date list price of many branded goods.

Shops belonging to the HKTA sport this symbol of a red junk

If you make sure that you buy only from a shop belonging to the HKTA you can be sure of some kind of redress if by any chance you have bought a dud (in which case you should contact the HKTA in your own country). Ask for a guarantee and a full receipt describing what you've bought.

It seemed to me that the best buys were to be found at the cheapest and most expensive ends of the market—for instance, I bought a marvellous-looking watch for only £10 (it's still going !), the like of which I have never seen here, and *because it was only £10 had* to pay no duty on it. The girl shopping for high-quality photographic equipment paid £450 for it in Hong Kong, £150 duty at Heathrow but says the total cost in London would have been £1,000—a saving of £400. On the other hand a medium-priced amateur camera was £80 in Hong Kong and £90 over here—with duty to pay no saving would have been made.

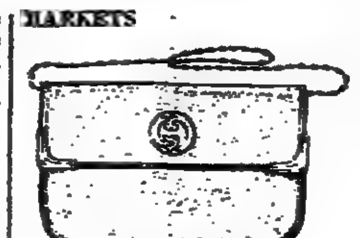
CAUTIONARY TALE

WHATEVER you buy do declare. Somebody we know returned from Hong Kong with two new suits, a camera and a few other goodies that he'd carefully saved up to buy on the trip and when he saw the long queues outside the red light, decided to go through the green. He was stopped, searched, all his purchases discovered. He was not only fined on the spot ("Or else, Sir, we'll take you to court and we never think it's worth it for less than £1,000") but had to negotiate to buy his goods back from customs. Worse still, he thinks his name is still on some "bad-guy" computer at Heathrow so that every time he passes through his name comes up as somebody for them to search. Not a nice fate.

I declared everything I bought and the tax seemed extraordinarily reasonable. Cameras, hi-fi, watches and electronic bits and pieces you really must declare and the duty will always be charged.

The great problem, though, is that scales of duty don't seem to be laid down. I tried to find out before I went exactly how much I would have to pay on everything over the official allowance of £28 and could get no specific advice at all out of the Customs and Excise.

MARKETS



Fine copy of a famous status symbol

BEING by nature a bargain hunter it is the markets of Hong Kong that I found most fun. There's Stanley Market, right on the other side of the island past the romantic sounding Repulse Bay and well worth the journey just for the views. When you arrive you find hundreds of small stalls and if you have the energy to go through the piles of clothing you could kit yourself for life in jeans, corduroys and other casual clothes for a song. Jeans and cords were about £2 a pair and for an extra dollar (10p) they'll alter them on the spot. There are inexpensive linens, rattan furniture, bird cages, sweetmeats and fruit.

There are night markets (one near the Macau Ferry Terminal and around Temple Street in Kowloon) where you can also find jeans and cotton trousers and other clothing.

The Lanes is an area in Central district which is full of little stall-holders and if you wander up and down these you'll not only catch some of the real flavour of Hong Kong but I'd be very surprised if you weren't tempted to buy.

It's the place to go looking for astonishingly cheap copies of the big name leather manufacturers—all those initials and horses that have become such world-famous symbols appear on handbags that are made of proper leather and are lined and sell for about £7 to £12.

MADE-TO-MEASURE

THE GREAT bargain in Hong Kong is labour from which it follows that the best buys to be had are those where in the Western world the labour would be highest. In other words, the things to go for are the hand-made shoes, the bespoke suit, the embroidered linens.

I had heard that hand-made shoes were one of Hong Kong's great specialities (the area around Happy Valley is the *real shoe area) but only realised* quite how great by accident. In a tiny street behind my hotel in Causeway Bay, I saw some black evening shoes edged with gold that looked to me for all the world as if they'd come straight from a St. Laurent boutique. I tried to buy them, discovered they were only sold made-to-measure and so I plunged *in* and *ordered* a pair of those, as well as some strappy, high-heeled cream summer shoes. They cost me £7 a pair, took four days to be made, fit like a dream and are still going strong.

If you know how to measure your own feet you can order by post. You draw the outline round each foot on separate pieces of paper, marking them left and right, then measure round the ankle and the depth of the instep. With some trepidation I gave my shoemaker £10 in advance to cover the making and postage of another pair of shoes—they arrived safely three months later (sea mail takes a long time) and fitted beautifully. Sheraton Shoes, 508., Gd. Jaffe Road, Causeway Bay was his address.

The cardinal rules about ordering things to be made-to-measure are to insist on them being ready at least a couple *of days before you leave—this* gives you time to have changes made if necessary.

If you want suits or shirts, order them as soon as you can and, particularly if it's a suit you want, don't make the tailor do it in too much of a hurry. Four or five days is really the minimum time for a proper job, including at least one, preferably three, fittings. The day of the *24-hour suit is over.*

If you're a man and want a suit made it is worth going to somebody who has reasonably-sized workshops and looks as if he is running an on-going establishment (don't go for the smallest or the cheapest). There are literally hundreds of establishments to choose from and if you don't know anybody who can recommend somebody personally ask your hotel or the Hong Kong Tourist Association. Most tailors have large pattern books from which you can choose the style you want, as well as the fabric (they usually have many sample books with the choice ranging from lightweight cloths for Asians and Americans to British worsted woollens for those who live in colder climates).

I have never ordered a suit but an average price for a good three-piece suit (trousers, jacket and waistcoat) seems to be about £70.

I did order several hand-made shirts for my husband and these, in softest terylene-cotton were £6.50 each, including hand-embroidered initials. Once the tailor has your measurements you can always order by post.

I also had several silk shirts *made to measure for myself* and, though the silk I bought from the Chinese Communist shops is beautiful, the shirts are not exactly what I wanted. You must be very precise about styles, make sure you have fittings (our tailor let us down on this) and insist on no stiffening in collars and cuffs.

The £7 hand-made made-to-measure black suede shoes

FROM CHINA

THE POSH store in Hong Kong, the Harrods of the place so to speak, is Lane Crawford. However, I much preferred browsing round the Communist China Stores. There are three of them —one on the Kowloon side near where the Star Ferry stops and this is the smartest of the three. There we all bought our pure silks, our slubbed silks at prices that had risen since I last was there but still are quite astonishingly cheap, starting at about £2.50 a yard. The colour ranges, the subtle self-patterns were all lovely.

The other two stores are on Hong Kong island, one in Queen's Road and one on the corner of Percival Street. They, too stock silks but not such big ranges.

Their china is fantastic value —very cheap and marvellous patterns but how to bring it back by air? I'm told they will pack it and freight for you but it didn't seem worth it for the small amounts I wanted to buy.

They are certainly the places to go for inexpensive presents —I bought embroidered cotton happy-coats for £3 each, a ravishing embroidered cotton nightdress and matching negligee for £8, a natural raw silk blouse for £4.00. Bed and table linen is exquisite—I bought a very finely embroidered cotton sheet for £12 and masses of pillowcases for under £1 each.

Hand-embroidered fine cotton nightdress and negligee set for £8

SHIRTS TO SUIT

IF you want an unusual present that shows you've gone to some trouble Vincent Sum Designs, 1st floor, 73, Wellington Street, Central, Hong Kong, does tie-dye shirts with any name in Chinese characters tie-dyed on the front.

Drawings by Liz Gill

PROPERTY

A view for breakfast

BY JUNE FIELD

WORTHING, on the south coast, was first appreciated for its beneficial qualities in 1978 when the invalid Princess Amelia, youngest daughter of King George III came to take the sun and hot sea baths in what was then only a small fishing hamlet attached to the village of Broadwater; while in later years it was immortalised by Oscar Wilde in *The Importance of Being Earnest*, as the place where the hero, John Worthing, was found "in a handbag," as Dame Edith Evans used to declaim with such feeling.

Sun seekers, sickly or otherwise, continue to converge on this pleasant resort which promotes itself, justifiably, as Sunny Worthing all the year round, even though it has attracted the label, understandably, of *Costa Geriatrica*, because of its large elderly population. "So what," said one satisfied resident I spoke to. "Apart from the climate there is so much to do here—bridge, bowls, amateur dramatics, serious music, even discos for those who want them. And everyone isn't old or retired—the large number of daily commuters to Brighton, Victoria and London Bridge means the population are some of the hardest hit when there is a rail strike."

Although perhaps one might feel that now isn't exactly the best time to think about buying property at the seaside, most coast estate agents insist that if you leave your search until the spring, prices will be up, and there could be a shortage of the right thing: "There is always a strong demand here too, for second-homes, with enquiries for town cottages and sea-front flats constant in and out of season."

Evidence of this is illustrated by the success story of the luxury flats at Knightsbridge House, Marine Parade. Many times I have driven past the stylish modern building originally called the Grafton development, and noticed the "Flat Development For Sale" board of local agents Stiles Horton Ledger, and wondered when some enterprising builder was going to take on the work of providing accommodation in this desirable sea-front position.

Briefly, the story behind the board was that a few years ago Bovis Construction built an extension to Marks and Spencer's store, incorporating 18 apartments completed only to "shell stage." Marks and Spencer then looked for a developer prepared to finish the flats and sell them on individual leases and provide a management service.

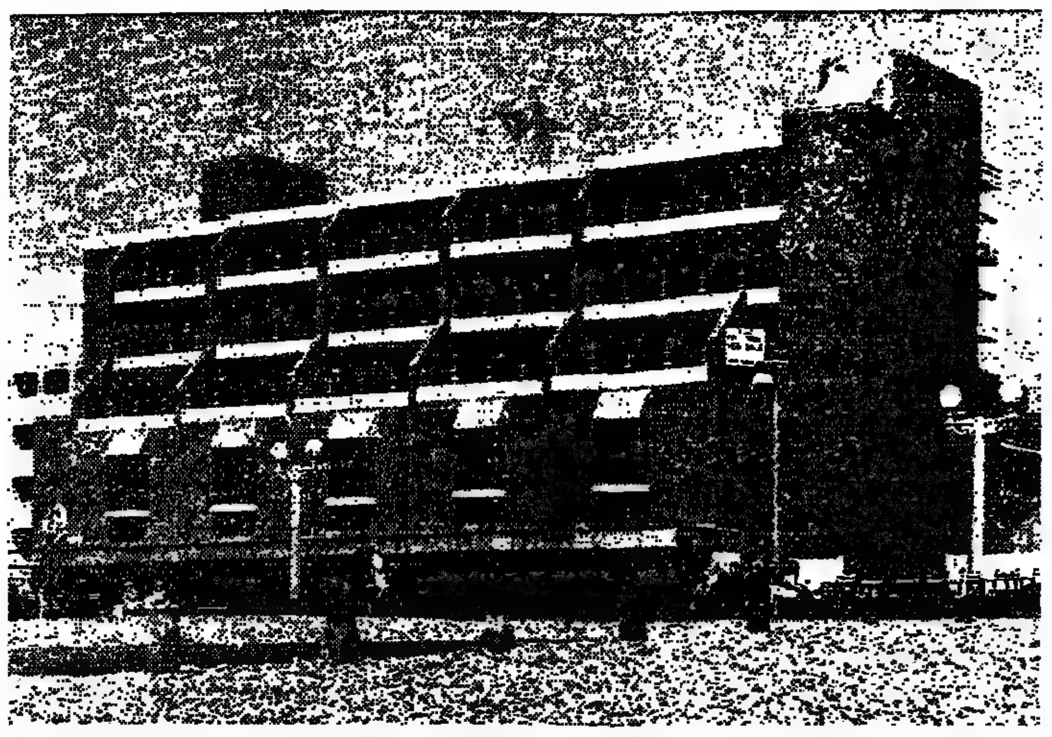
Recently Barratt Developments (Investments) active on more than 300 sites throughout Britain, took on the project, renaming their part Knightsbridge House, and producing one of the most evocative selling brochures that I have seen for some time.

"Enjoy this view at breakfast. Everyday . . ." is the heading on a really appealing riviera-style scene of Worthing beach and Pier Pavilion, showing people strolling along the promenade, basking in the sun on the sand and shingle, or disporting themselves in the calm blue sea.

"Most apartments have their own private south-facing balcony so that you can sit out and enjoy the sun and the view just whenever you please," goes the blurb. Although copy and photograph were obviously produced well before this wintery of our misery, when I visited the show flat on Sunday and sat on the 15 ft wide sheltered balcony (access from either the living-room or bedroom through a double-glazed door), both the sun and the view were quite spectacular.

Included in your eyeline of course is the busy coast road below, as well as such crowd-attracting seasonal amenities as the Lido outdoor swimming-pool, outside of which there is an occasional open-air art show, but for those who like to watch all human life going on, it is an ideal scenario. While those who don't, need only retreat a little further back to their sitting-room when all that can be seen through the vast window wall is that marvellous expanse of water.

Fresh fish for breakfast? You can often pop down and buy some straight out of the sea from the fishermen's lockers below. (In 1773 John Wilkes wrote that he intended "to go to Broadwater, and to lie there to be ready for the great fishery at Worthing.") Short of bread and marmalade? As long as it isn't Sunday, just take the lift down to Marks and Spencer's super all-embracing emporium on the ground floor—you can practically kit out te flat there as well.



Barratt's luxury flat development, Knightsbridge House, Marine Parade, Worthing, over Marks and Spencer's on the sea front, where apartments are for sale from £23-36,000. Brochure D. A. Pretty, sales and marketing director, Barratt, P.O. Box No. 5, Jansel House, Luton. (Photograph Walter Gardiner.)

You won't need that much heavy furniture, the flats are not large (a dozen are one-bedroom, the rest two), and the cupboard space is good, with the open-plan kitchens well-fitted with waste-disposal unit and plumbing for a washing machine. Prices vary from £23,000 to about £36,000 according to size, which includes a special car-parking space away from the local Council's multi-storey car park which adjoins the block. Ground rent is £20 p.a., with maintenance charges expected to be about £150 to £175 p.a., with rates not yet fixed.

Full details and brochure from D. A. Pretty, sales and marketing director, Barratt, P.O. Box No. 5, Jansel House, Luton. But hurry—the interest in the project has been enormous, with many of the apartments reserved either for permanent living or as a sea-side *pied à terre*. To encourage quick sales the company are offering a £500 discount if contracts are exchanged within six weeks of reservation.

If period property is more your style, walk along the sea-front towards East Worthing in the direction of Brighton, past Steyne Gardens and the two hotels, Warnes and Eardley, as far as you can go before landing on the pebbles and turn up the little one-way street by the Boat Club.

In the terrace of preserved Regency houses on the right, there are for sale boards on four of the properties, advertising a couple of houses and two top floor flats and a shop investment. All have a tremendous view too, at the back, where they overlook the colourful Denton Gardens and the sea. Further round in a short road by a garage there are more estate agents' boards on late 19th and turn-of-the-century cottages, which would make permanent or second homes. Being so near the sea, there are opportunities for bed and breakfast and holiday flat letting too, as witness the signs of "vacancies" or the reverse, in the windows.

To document some of the town's period properties there is Robert Elleray's recent excellent book, *Bygone Worthing* (Phillimore £4.25), a well-researched photographic record of Victorian and Edwardian Worthing. For a town guide and details of the local estate agents' association, write to the Town Hall, Chapel Road, Worthing, or call at the local information offices on the sea-front.

Fox and Sons, with offices in Worthing, and nearby Goring-by-Sea and Rustington, report a steady interest among serious buyers who want to get settled with something suitable by the time the fine weather finally arrives. Their Rustington office has produced a special brief guide to properties available in their area of Angmering, East Preston and Littlehampton. Free copy from Michael Thomas, Fox's, 4, Broadmark Parade, Rustington, West Sussex.

Highlights of the property guide are two converted Victorian cottages, 1 and 2, Station Cottages, Ford, near Arundel, about £15,750 each; The Little Croft, Claigmar Road, Rustington, a character cottage originally a coach house, £22,500; and a couple of large cottages for doing up, going to auction on a £20,000-plus price guide. There are some spacious bungalows, too, one with direct access to the Ham Manor Golf Club, £39,950, and one of the prettiest houses and gardens I have seen recently — The Moorings, The Thatchway, Rustington, at £70,000. The cream of the list must surely be Hammersbott, Midle Way, Kingston Gorse, a delightful cottage-style residence with heated swimming pool, sauna complex, and antique furnishings. It is rather special, within 200 yards of the foreshore, and will set you back £150,000, a bit less if you don't want the antiques.

On a more modest scale, Seager Arnell Watson, 76, Woodlands Avenue, Rustington, have a rather special ground-floor flat on the Overstrand Estate, 31, Millfield Close, where you just walk across the green-award to the beach. There are two bedrooms, a good-sized living-room, bathroom and kitchen, and garage, £22,500. Hobden and Hobden, 30, High Street, Littlehampton, who are promoting themselves as the first "open office" estate agents in the area — "no longer are details hidden away in filing cabinets"— have a smart little end-terrace 3-bedroom modern house within 250 yards of the beach at £18,150.

Why the phormiums didn't like it

GARDENING

ARTHUR HELLYER

AS THIS savage winter draws to a reluctant close gardeners must assess the damage and carry out such salvage operations as are possible. That there are many irretrievable losses is certain but it is as yet too early to see the full scale of destruction. It is clear that in many places snow has been a useful ally. Of course it has inflicted a great deal of damage of its own, particularly to evergreens some of which have been crushed by the unaccustomed weight they have had to carry.

Large limbs have been torn off some trees and major surgery will be required to make them tolerably safe and presentable again. The sooner this can be done the better for, as I have already explained earlier this winter, the risk to pruned plants is not from frost entering the wounds but from sap pouring out of them. Despite the continuing cold, sap is already beginning to rise in some trees and shrubs, impelled by those powerful but mysterious forces which have never been wholly explained. Soon the upsurge will become general and then it may be very difficult to prune some plants without risk of bleeding that will threaten the life of stem, branch or even in extreme cases, the entire plant. Grape vines are great bleeders and old time gardeners who had delayed pruning too long would sometimes seek to staunch the flow by charring the wounds with a red hot iron or applying caustic to them.

Ordinary wound dressings of the Stockholm tar type are unable to check severe bleeding adequately though they may be excellent to keep out fungal spores and prevent disease. Warm grafting wax is more likely to be effective against bleeding but really the sensible thing is to avoid the necessity for any such treatment by pruning at the right time.

What that time is depends a good deal on the nature of the plant. Most deciduous trees need to be pruned early, certainly no later than the first week in March, and it is wise to prune outdoor fuchsias before the end of March since they can bleed severely. By contrast I have never seen buddleias shed a drop of sap and on occasion have pruned them hard as late as May with no ill effects. *Hydrangea paniculata* and the less well known *H. arborescens grandiflora*, both fairly hardy and with heads of white or creamy flowers, can also be hard pruned as late as April without risk of bleeding.

Of those so far mentioned the fuchsias are the most likely to have suffered from the cold and this winter will certainly have sorted out those that really deserve to be labelled "hardy" from those that have survived outside these past ten or 15 years simply because they have never had a winter to really test them. However, where the snow remained much of the time even some of these fuchsias may throw up plentiful new growth direct from the roots which have been protected by the white blanket. At this stage it is impossible to be sure and I would hard prune every outdoor fuchsia now, giving it the benefit of the doubt and hoping that in another six or eight weeks it will be producing some new growth to justify my optimism.

Evergreens are among those that have suffered most severely, which is not surprising since, except for the needle-leaved conifers, many of which have learned to survive intense cold, the evergreen habit has developed mainly in warm countries where it is safe for plants to go on growing the year round. A lot of hebes that we had come to believe were hardier than had been previously supposed are going to disappear this spring or be so badly mauled that we shall be glad to dispose of them. However, evergreens in general, including hebes, will stand late pruning better than most deciduous shrubs, and so, with anything deemed valuable, I would wait until May before finally deciding whether to keep or scrap it. Laurels of all kinds, laurustinus and even rhododendrons can all be cut almost to ground level in April or May with reasonable prospect that they will produce new growth from the stumps, if alive, and, in time, grow into presentable bushes.

Some evergreen climbers have the same happy knack and my own *Clematis armandii* has grown more strongly since my son dropped a ladder on it, snapping it off almost at ground level, than it ever did in the days when I was scared to do more than prune it lightly. Incidentally it is not looking too bad now but it is trained up a chimneybreast from which it must derive some degree of warmth. Deciduous clematis are in general much hardier and are breaking into new growth now despite the atrocious weather. Purple flowered Jackmanii and other summer flowering kinds can be cut back now quite severely with no risk of damage and every prospect of improving the flower display.

The phormiums or New Zealand flaxes have definitely not enjoyed this winter. Here again gardeners had been lulled into a sense of false security by a succession of mild winters and had been prepared to plant a whole lot of new varieties raised in New Zealand. Probably some of these will eventually prove to be hardier than others, but my own first assessment is that only the green-leaved species and its bronze-leaved variety, both of which have been cultivated in Britain for a very long time, are going to maintain their reputation for moderate hardiness. The worst sufferers seem to be those with a lot of cream or white variegation and, as these are also the most expensive to buy, there are going to be some disappointed customers this spring. The right response is not to dismiss them as worthless for British gardens but to accept them as handsome, slightly tender foliage plants which should be grown mainly in containers so that they can be stood outdoors, at least from May to October, but can easily be brought into shelter in winter if the need arises.

Eucalyptus trees have also become much more fashionable in recent years, partly because of the demand for the beautiful juvenile foliage of some species for use in flower arrangements, and also because they have not been put to the test of really severe weather. Juvenile foliage can be induced long after the trees have ceased to be young by the simple expedient of cutting branches back severely each spring. This annual pollarding gives two bonuses: one, that it encourages a stronger, possibly more branched, root system which anchors the eucalyptus trees more firmly in the ground, and the other that it appears to make them slightly hardier.

هكذا من الأصل

ARTS/COLLECTING

Eye-catching classic cars

BY IAN BENNETT

ONE OF the questions which fascinates all writers on the art market, but which rarely receives a satisfactory answer, is who or what creates the initial impetus that forces an international gathering of otherwise sober and level-headed people to devote a considerable portion of their resources, both physical and financial, to a search, often fanatical in its intensity, for objects of a particular kind? One of the stock responses is that the first push comes from the entrepreneurial activities of dealers and salerooms, who find hitherto "uncollected" objects and then promote them to a public eager to buy anything, so long as it carries the vague cachet "work of art." Superficially, this might seem to be the truth but in fact it is not.

FT/SOTHEBY

ART MARKET REVIEW

Collecting always begins with the whims and fancies of private individuals; such individuals then begin to correspond with others of like interests, exchanges, sales and purchases take place between an ever widening circle of devotees, specialist magazines appear, books are published, conventions, meetings and dinners are held, some of the collectors become full-time dealers and other dealers, well-established in different fields, will turn their attention to what has by now become a strong and lucrative market. It is usually after all this has happened that the auction houses will begin to hold specialist sales (there would, after all, be little point in holding specialist sales if there were no specialist collectors already in existence); such auctions will, however, serve to widen and strengthen the market and in the process create a strongly rising level of prices—to the benefit of those collectors who for years had quietly accumulated outstanding groups of objects and who now, following the auctions, can begin to realise substantial rewards.

In the highly charged atmosphere of today's art market, there are few areas of "private" collecting which have not received the attention of dealers and auction houses. There are, of course, one or two fields which might, not altogether without justification, be described as on the lunatic fringe Coca-Cola bottles, barbed wire and petrol pump tops, for instance. But there is only one of really major significance which springs readily to mind and that is the market in Classic cars or, as they are beginning to be known in America, "Milestone" cars. These are, on the whole, standard production models of cars which have been made since the Second World War, but which seem to date mainly from between about 1955 and 1965.

Usually sports models examples to appear at the auctions held regularly by Sotheby's, Christie's and other auctioneers but, as Michael Worthington-Williams of Sotheby's remarks, this is still an area in which the main dealing is done privately.

There are today in the UK some 250 clubs devoted to individual marques, clubs which hold regular meetings all over the country to which owners of the relevant car will flock in their hundreds, sometimes thousands; *concours* prizes are awarded, often to examples which, despite being 15 or 20 years old, are in the same condition (except for the mileage) as they were when they rolled out of the factory. The principal names are the ones which the layman might expect to hear—Aston Martin, Ferrari, Jaguar, Lotus, Maserati, Porsche *et al*—but even the humble post-war Morris Minor has its own club of devoted admirers.

Naturally there are certain subtleties to the market which it is hard for the outsider to understand and I am grateful to Paul Alexander, who has been dealing for some years with outstanding cars of many types, but with a special emphasis on Porsches, for his view of how the market operates and for an explanation of some of the reasons why it is so strong.

A "Classic" car need not necessarily have been considered particularly desirable at the time of its manufacture. Much of the value which attaches to a particular model today is a matter of hindsight—qualities of design, manufacture and performance, which might once have been taken for granted, are suddenly seen to be quite outstanding or as having been especially prophetic. It may be that no subsequent model has been as good; it may reflect an overall decline in the standards of a particular industry — the British for instance — or the cessation of a whole range of cars—why, for instance, are no open-topped sports cars, so much a feature of the British motor industry in the late 1950s and 1960s, being produced today?

Many of these points can be made about E-type Jaguars, arguably among the most beautiful and remarkable production cars made anywhere in the world during the 1960s and, for many people, still among the most potent icons of that euphoric decade. In the late 1960s, E-types were everywhere and their very ubiquity had dulled their initial impact: their second-hand value was very low.

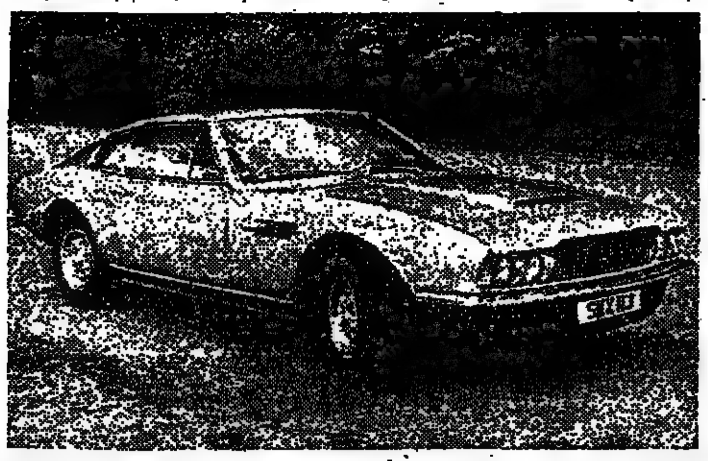
Since manufacture ended in 1974, however, many people have begun to look back on them with a strong sense of nostalgia; thus an E-type in immaculate condition, unrestored and with a low mileage can now fetch upward of £10,000, with examples which have never been on the road making as much as £16,000. A new E-type coupé cost £2,000 in 1962, and the bulk of the capital appreciation has taken place within the last two or three years.

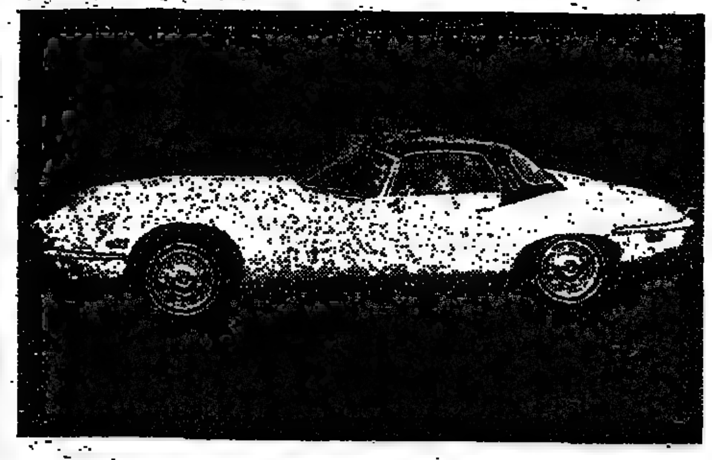
Unquestionably Ferraris enjoy supreme place among post-War Classic cars, equivalent in stature to the great Bugattis of the pre-War era. Something of the flavour of the Ferrari market can be gained from this excerpt from an article by Mel Nichols, editor of Car, which Paul Alexander describes as the thinking man's motor magazine. Nichols tells of how he was lent for a week a Ferrari 250 GTO; the car's owner, Nick Mason, had photographed a 250 GTO winning at Goodwood when he was a schoolboy in 1964 and from then until 1978 had been *consumed with one desire—to own one himself.*

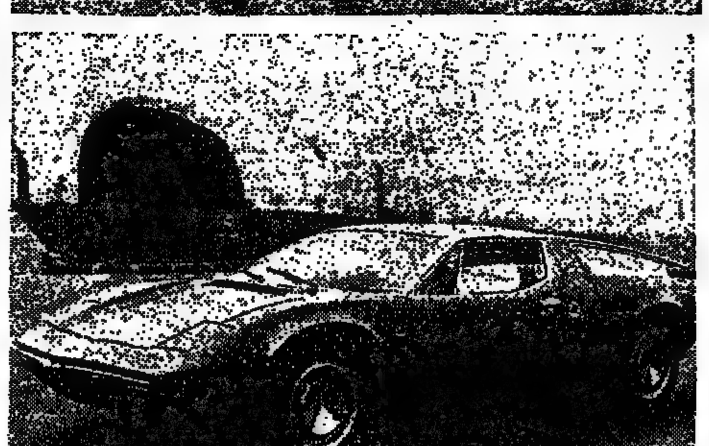
Nichols continues: "And it was he all these years later who, right there at Goodwood, handed me the keys to his GTO. It was a moment heady with excitement and sombre with apprehension—I knew he'd refused £75,000 for the car only weeks before. I knew for how long he'd searched for it and I knew that, when it was finally his, he'd found the car's original number plate beneath its current, incredible, 250 GTO plate and discovered, from those old photographs, that it was the self-same car that had initially captivated *him* at Goodwood in 1964. Dreams are rarely so *felicitously fulfilled*."

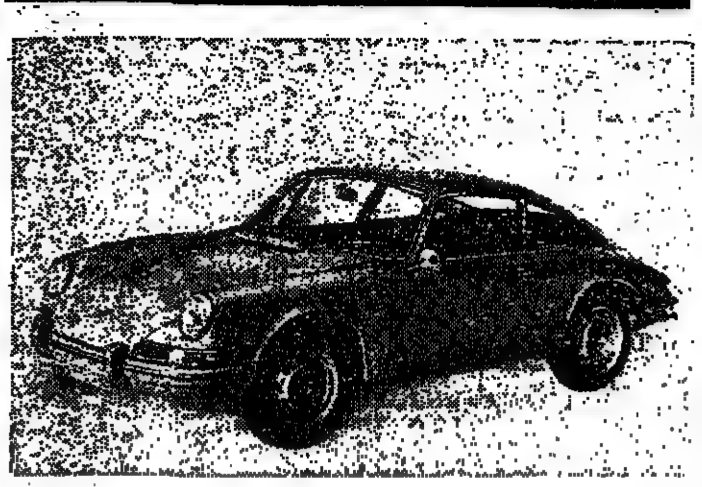
One would have to look far for a better description of collecting fever. And the price is no journalistic exaggeration, for Daytona Spyders have changed hands within the last 12 months upward of £50,000 and Paul Alexander imagines that something as rarified as a Testa Rossa, for instance, could go for much more.

For Paul Alexander, there is no doubt that the right car in the right condition will prove an outstanding investment, if it is properly cared for. The owner will find himself caught-up in the whirlwind of social events which goes with any classic car and there is also the purely practical point that a great Classic car is often a much better economic proposition than a new model. As an example, Mr. Alexander cites the new Porsche 911SC which retails at around £16,000; by comparison, a 1973 RS Carrera in splendid condition and unrestored, which for the enthusiast, is the ultimate in Porsches and certainly preferable to the 911SC, costs today between £7,000 and £10,000. The Carrera, which is already considered one of the great Classics of recent years, will certainly be selling for considerably more in the near future.









The classic cars of the fifties and sixties are still easy on the eye, but growing increasingly heavy on the pocket. Anyone with an eye for a seventies classic could be making a worthwhile investment—provided he is able to keep the vehicle in good condition.

Above are a range of vehicles of the type which attract owners today. The Aston Martin DBS V8 (top left), the Maserati Bora (bottom left), the Jaguar E-type (top right)—the one illustrated is the Series Three two seater roadster which came with a hard-top, and the Porsche 911 T.

Detective story

COLLECTING

JANET MARSH

THE STORY of the Dutchman on a camping holiday in Belgium who found the Mercator Atlas of Europe under a pile of fashion plates in a bookshop where it had lain unnoticed for six years, is already a part of collecting legend. Twelve years after this happy find, the Atlas is to be sold by Sotheby's on March 13. What its price will be is anybody's guess; but a quarter of a million pounds would astonish no one.

Gerardus Mercator (1512-1594) remains one of the greatest geographers of all time. His system of map projection — still familiar from school atlases — created something like a revolution in navigation from charts.

It is not so surprising as might at first appear, though, that the atlas should have remained unrecognised for so long. There is indeed very little to recognise it by, at first sight. It is a rather heterogeneous collection of 50 maps or parts of maps, much repaired, and pasted up into cardboard wrappers. There is nothing like a title page; and in most cases areas of engraving that might have provided easy identification have been cut off and replaced with blank paper. The first impression is quite anonymous, apart from a manuscript table of contents compiled by a monk who repaired the book—not very cleverly — in the later 18th century.

The very rarity — in part uniqueness — of the contents would have prevented ready identification. Very few booksellers anywhere in the world have handled maps issued by Mercator in his lifetime. No one has ever before seen an original autograph map by this great Renaissance geographer. ThoughMercator's working life spanned more than half a century, very few of his published maps—mainly intended as they were as wall maps — have survived.

It is, in fact, only through a painstaking and persistent effort of detective work over the past 12 years that a grubby volume of ancient maps has been metamorphosed to the unique contribution to the history of cartography recorded in Sotheby's excellent catalogue.

The first and easiest step was to recognise that several of the printed maps were in fact by Mercator — the wall-map of Europe of 1554, the wall-map of the British Isles of 1564 and two parts of his wall map of the world, published in 1569. Even though the only other recorded copy of the European wall-map was destroyed in Breslau in 1945, facsimiles existed to aid identification. The rest of the printed maps in the book were as readily attributed to a Latin atlas published by Mercator's friend Abraham Ortelius in 1570.

It then appeared that the compiler of the atlas had in fact cut up several copies of the wall maps for the purpose. The assumption was that only the publisher himself would have afforded such extravagance. Moreover, as a friend of Ortelius, Mercator was more likely than most to have had a duplicate copy of the Ortelius atlas to spare for cutting up in this way.

So the evidence pointed to Mercator as the actual compiler; and by 1969 Dr. A. S. Osely, an authority on Mercator, had satisfied himself that the *writing that appeared throughout* the atlas was Mercator's; and that internal evidence must also attribute the two manuscript maps of Lombardy to the great cartographer's own hand.

The next question was when and why the compilation was assembled. The date seemed to be between 1570, when the Ortelius atlas was published, and 1572, since Mercator did not use for the purpose the improved edition of the wall map he published that year.

Its purpose was fairly self-evident: to provide a handy guide for a traveller through Europe, and particularly Italy. Who, next, was the traveller? There are tempting hypotheses. In 1552 Mercator left his native *Netherlands after being imprisoned* for suspected heresy, and took up residence at Duisberg in Cleves, eventually becoming Cosmographer to the Duke of Cleves.

Among Mercator's patrons at court was one Warner von Gymnuch, for whom he seems to have made other atlases. In 1572 von Gymnych, as Governor of the Crown Prince Karl Friedrich of Cleves, accompanied the young man on a prolonged tour through Europe, which ended, unhappily, with the Crown Prince's death in Rome in 1575. The supposition that the atlas could have been made for von Gymnych and the Prince is encouraged since three years afterwards Mercator was asking his patron for information for his new maps of Italy.

The later history of the atlas also gives strength to the theory. When the clumsy monk repaired it it was in the Cistercian monastery of Mariawald, 50 miles south of Duisberg, which had received an unidentified bequest from the Gymnych family in 1605.

The library of the monastery was dispersed by the French Revolutionary Government, at which time the library catalogue was lost. Mercator's handy guide to Europe thereupon vanished for 170 years, until the day it turned up in the Belgian bookshop, in 1967. Now, finally, it has re-entered history, as a unique witness to the "cunning of mind and cunning of hand" of the greatest geographer since Ptolemy.

THEATRES THIS WEEK . . . AND NEXT

COTTESLOE—*The Long Voyage Home.* Four early seafaring one-acters by Eugene O'Neill, set aboard the S.S. Glencairn. Mostly academic interest, but very decently done. Reviewed Wednesday, Thursday.

OLD VIC—*Richard III.* The Young Vic's tedious modern-dress production, to play in rep with *Hamlet* and *The Tempest.* Reviewed Thursday.

COMEDY—*Forty Love.* Two American tourists rediscover love in a Brtish farce, a fate worse than death. Reviewed Thursday, Friday.

. . . and next

Tuesday at the Royal Court, a 17th-century comedy, *The London Cuckolds*, and away in Bristol, the first revival of David Edgar's anti-fascist drama, *Destiny.* On Wednesday at Greenwich, *Semi-Detached*, a wry social comedy which had Olivier in the lead on its first production 20 yars ago; and at the ICA, a visit from the company called the Monstrous Regiment in another David Edgar piece, *Teendreams. Class Enemy*, that savage thrust at education by the son of a former headmaster, comes to the Young Vic in a production by the Oxford Plyahouse company.

ARTS

Mary Tamm and Gary Waldhorn in "Action Replay"

Great men—and Shakespeare

The Paul Scofield Fan Club of which I am a fully paid-up founder member has had a gratifying time this week on Radio 3. On Tuesday he spoke the words of the Russian dissident writer Andrey Sinyavsky written from a Soviet Labour Camp to his wife, adapted for radio and directed by Hallam Tennyson, in *A Voice From the Chorus*, and by way of a complete contrast two nights later, Scofield appeared as Don Armado in David Spenser's World Theatre production of *Love's Labour's Lost.*

He was in starry company on both occasions, particularly in the Shakespeare where Robert Stephens was Holofernes, Michael Kitchen the King of Navarre, John McEnery Berowne; and as the ladies whose presence causes them to abjure their vows of celibacy, Anna Massey the Princess of France, Eileen Atkins, Rosaline, and Denise Coffey, Jaquenetta. Surely such a prescription of talent is just what the doctor—Dr. Rowse, I mean—ordered for this play. I settled down after an early supper (it started at 7.30 to make way for Gombrich at 9.30) prepared for something really great.

In the event I was disappointed. It is I know a fiendishly difficult play, in patches full of erudite showing-off and topical references, a comedy à clef and the key has long been lost to everyone except scholars like Dr. Rowse who can elucidate the historical originals of all the characters (see his massive new three volume *The Annotated Shakespeare* from Orbis).

RADIO

ANTHONY CURTIS

Even so the pattern of it is plain and it should not be impossible to put this across on the air. The trouble lay mainly in the majority of the actors' failure to make the lines sound meaningful at any level: Berowne's lengthy tirade backtracking on a single-minded lifestyle sounded peculiarly muddled and feeble. The change from light to dark at the end, when the messenger arrives to announce the death of the Princess's father, went almost unnoticed.

Happily the more broadly comic parts had more definition, people like Clifford Rose as Sir Nathaniel, John Baddley as Costard, Clifford Abrahams as Moth, and Scofield, full of gravitas, as the Spaniard.

The rest of the week has been devoted to great men in the musical field in the persons of Harold Fielding (a repeat of the penetrating profile devoted to him in *The Impresarios* Radio 2 by Frank Salter), Samuel Goldwyn, and Richard Wagner. Kaleidoscope sent Michael Oliver last year with his tape-recorder to Wagner's Festival Theatre and the outcome was *Bayreuth* (Radio 4 UK, February 21) in which he trudged round in the company of Tony Palmer, who was making a documentary film and had done his homework on Ludwig of Bavaria etc., William Mann, and the American Wagner - scholar, Theresia Reimers, who expounded the history behind each object in the museum and each picture on the walls. Musicians spoke of the problems of playing in that deep invisible orchestra pit and singers of the numinous aura which surrounds that stage. Oliver treated it all very lightly, at pains to point out evidence of Wagner's sense of humour but as the strains of the actual music came through there was no mistaking the *stimmung*, part club, part cult, part hypnotic artistic experience.

Bayreuth stars like Gwyneth Jones regard a huge black bat that lives in the rafters of the auditorium, and flies out when they are in particularly good voice, as representing the spirit of Wagner. My own researches for this article have led to a different inference. Wagner died in Venice in 1883. Samuel Goldwyn was born in Warsaw in 1884. Could there be a transmigration of soul here? Unfortunately the evidence offered by the programme on Goldwyn, which started a new series on *The Movie Moguls* (Radio 4 UK, February 21) scripted by Benny Green, narrated by Orson Welles and produced by David Rayver Allen, does not support this theory. The director Norman Taurog was once making a film with Goldwyn and he told him that in shooting one scene after dinner they would have a little Debussy. "No," retorted the great man, "I'm not having any plugs for any goddam French aperitif in my picture." The programme, with its glittering cast of Hollywood one-time greats, certainly provided several such vintage additions to one's collection of Goldwynana. I only wished it could have gone more profoundly into the character of this extraordinary man, business bully crossed with talent-finder of genius. *One day, I expect, when* a lot more traffic has flowed through Beverly Hills, we shall get a really truthful biography.

Action replay

Readers of Fay Weldon's novels will be familiar with her embittered landscape of decaying middle class relationships between drunken, vain and inconsiderable males, and aggressively defensive, promiscuous, *professionally frustrated dames.* In this, her first stage play, at the Birmingham Rep studio, all the familiar themes are there, along with the murdant, cynical wit that drives one of the girls to protest at being divorced "for mental cruelty" when what is meant is "for going out to work."

THEATRE

MICHAEL COVENEY

The title hints at the way the play is written, as a series of flashback scenes suggesting alternative incidents to what actually happened to those three female friends with their interlocking men, marriages and children. The trouble is that the effect is random and theatrically undisciplined. Is the point to show that women are sometimes weak, sometimes strong? If so, there is no doubt about what the men are like: one of the Jewish brothers ends up incompetently rather than heroically dead in the Six Days' War; the other drifts from property in the South of France to social work; while the third culprit kills himself not knowing whether his child is his own.

Perhaps a stronger, more overtly feminist, production would have saved the day. As it is, Peter Farago's direction is low-powered, the performances decidedly non-committal. Helen (Mary Tamm) comes across as a blank but decorative creature, failing to point up in the playing what she actually *thinks* as *Saul (Gary Waldhorn) pushes* himself into her life. As each segment is re-done, the effect is too often repetitive where it should have been, presumably, illuminating.

There is an ingenious open-plan design by Poppy Mitchell, a sort of pervasive fawn carpeting at various levels, but only one actor, Sorcha Cusack, *strikes the right chord,* with her sad, defeated admission that she feels her breasts every day, hoping to find lumps. As a modestly liberated male I find much of Miss Weldon's work hard to stomach (by which I mean we're not *all* that bad!) but the grace notes and style of expression are always a joy.

French operatic comedy in London

There is an infinite supply of delightful one-act operatic entertainments from 19th century Paris; happily, enterprising explorers in this country are beginning to tap the supply. A double bill of Offenbach's *Un Mari à la porte* and Chabrier's *Une Education manquée*, presented this week by a new group of young professionals, the Intermezzi Ensemble, in the pleasant little theatre of the French Institute, comes hard on the heels of the Welsh National's splendid Offenbach double bill. Both programmes testify to Offenbach's endless musical resourcefulness, and his ability to cook up racy operatic comedy carried upon a base of zestful, memorable melody, out of very little. The French Institute combination demonstrated, in addition, how strong was his influence on a musician whose gifts were perhaps more intricate and musically subtle, if not more *innately theatrical.*

Un Mari à la porte (1859), for just three players and a fourth offstage (here granted an appearance), comes in the Offenbach canon after *Orphée aux enfers.* The plot is very slight — a stranger fallen down the chimney into Suzanne's boudoir on her wedding night;

MUSIC

MAX LOPPERT

a locked door and a mislaid key; a jealous husband. It allowed for none of the fizzing satire at which Offenbach excelled. Yet out of slightness comes a score enchantingly lively and invigorating in its waltz rhythms, sprinkled with touches of bolero (is there not a doctoral thesis waiting to be written on the use of Spanish dance rhythms in Offenbach, to suggest both hedonistic pleasure and madcap comedy?). And captivating in its ensemble music—the situation of husband outside the door, and Suzanne, friend, and intruder inside, lends itself to typically mercurial Offenbachian fluidity of duo, trio, and quartet. More and more, it seems that the genius of Offenbach was most itself in a small space.

Chabrier's little three-hander, from 20 years later, has been seen in London before. Its plot is slighter still, a nonsense about a couple inadequately primed on the facts of life on their wedding night that one Chabrier writer has dismissed as "quelque peu ridicule et aujour'dhui tout à fait désuet." It needs playing a good deal more secure than the members of the Oxford Pro Musica under Yannis Daras were able to provide—they sounded much more assured in Offenbach—and singing more consistently forward and clear with the words. Milhaud's recitatives, composed in 1924, were used—an error, clearly, for the speaking of the French language in Offenbach was in fact often more assured than the singing of it generally. Chabrier owned his debt to Offenbach, and here shows it; yet his piquant, complicated, springhtly music is altogether more testing for singers and players of relatively moderate abilities. There was some pretty singing by Veronica Grange, *first in the travesti role of the* husband in Chabrier, and later as Offenbach's Suzanne.

CHESS SOLUTIONS

Solution of Position No. 256

1 Q-R4! sets the traps 1 . . . N-K5? 2 QxRP ch! (which Black fell for) and 1 . . . N-R4? 2 QxN, P-B3 (PxQ? 3 R-N3 ch); 3 *Q-R3, PxB;* 4 QxKP ch and White should win.

Better seems 1 . . . K-N2; 2 R-KN3 (guarding KN2 and threatening N-N4), P-KR4; 3 QxP, R-KR1; 4 Q-N5, Q-N3 and Black fights on.

Solution of Problem No. 256

1 R-N2 (threat 2 R-R2 ch, K-N2; 3 RxP mate). If 1 . . . B-Q2; 2 K-Q2, or 1 . . . B-K3 (or RxP); 2 N-Q6, or 1 . . . B-B4; 2 K-B2, or 1 . . . B-N5; 2 0-0, each followed by R-R1 mate. If 1 . . . B-R6; 2 RxB.

Tête d'homme by Heinrich Müller, on display in the Outsiders exhibition

Outsiders

In every age there must have been artists who, whether wilfully or innocently, stood outside the conventions of the art, avant-garde and academic together, of their time; and in the exhibition now at the Hayward (until April 8) Victor Musgrave concentrates upon the work of a number of such Outsiders of fairly recent times. It is indeed an extraordinary show, full of the bizarre and the eccentric, some of it consciously beautiful and made with consummate craftsmanship, but much that is openly, shockingly crude. Collectively, the endlessly varied nature of the work notwithstanding, with its shifts of mood, and the frequent charm of it in detail, the effect upon the visitor is of overbearing and in the end monotonous power.

ART

WILLIAM PACKER

The reason is obvious enough: it is, of course, no fluke that so many of these artists should be known to have been profoundly disturbed, many of them clinically psychotic. The obsessions and excesses of their imaginings, though revealed so often with such sophistication, begin to take on a uniformity both in character and pitch. As with children's art, work of this kind has much in its favour: freshness, directness and lack of inhibition, for example—but that argument can so easily slip into an exercise in special pleading.

The things I tended to find the most moving, therefore, were those that were more contained, passive, ambiguous, under control: Pascal Verbena's dark ships, shrines, and secret places with creaking doors, provide an admirable example, carried and informed by a quiet, uncanny human presence. But the Gallery is full of things equally worth the seeing, and it is indeed an important show.

TV/Radio

BBC 1

† Indicates programme in black and white

9.20 am Feeling Great! 9.30 Multi-Coloured Swap Shop.
12.15 pm Grandstand: Football Focus (12.20); World Bobsleigh Championships (12.50) The Two-man Event; Boxing (1.05) Charlie Magri v Mike Stuart; Racing from Kempton (1.20, 1.50, 2.20); Show *Jumping* (1.40, 3.00, 4.05) The Lancia Championships; Indoor Hockey (2.10, 2.40) The Rank Xerox Inter-Cities Championship; Rugby League (3.20) The State *Express Challenge Cup; 2nd* Round; Athletics (4.25) The European Indoor Championships; 4.40 Final Score.
5.20 The Pink Panther Show.
5.40 News.
5.50 *Sport/Regional News.*
5.55 Jim'll Fix It.
6.30 Dr. Who.
6.55 Saturday Night At The Movies: "Pony Express," starring Charlton Heston.
8.30 The Dick Emery Show.
9.00 Starsky and Hutch.
9.50 News.
10.00 Match of the Day.
11.00 Saturday Night At The Mill.

All Regions as BBC-1 except at the following times:—

Scotland—3.20-4.05 pm (Grandstand) The Cutty Sark Scottish Curling Championship. 4.05 Rejoin BBC-1 (Show Jumping). 4.33-5.20 Scoreboard. 5.50-5.55 Scoreboard. 10.00-11.00 Sportscene. 11.50 News and Weather for Scotland.

Wales—8.55-9.20 am Telifant. 5.50-5.55 pm Sport/News for Wales. 11.50 News and Weather for Wales.

Northern Ireland—5.10-5.20 pm Scoreboard. 5.50-5.55 Northern Ireland News. 11.50 News and Weather for Northern Ireland.

BBC 2

7.40 am-1.55 pm Open University.
3.00 pm Saturday Cinema: "Lease Of Life," starring Robert Donat.
4.30 Hit The Note.
5.00 One Man And His Dog.
5.40 Men Of Ideas.
6.25 Seven To One.
6.55 Rock Goes To College.
7.35 News and Sport.
7.50 The American Short Story.
8.30 On The Record.
9.00 Where We Live Now.
10.00 Stan Tracey Original: Self-taught jazz musician tells his own story.
10.55 News On 2.
†11.00 Midnight Movie: "Youngblood Hawke," starring James Franciscus.

LONDON

8.35 am Sesame Street. 9.35 The Monkees. 10.00 The Saturday Morning Show. 11.30 Tarzan.
12.30 pm World Of Sport: 12.35 Headline; 1.15 News from ITN; 1.20 The ITV Six—1.30, 2.00 and 2.30 from Stratford; 1.45, 2.15 and 2.45 from Teesside; 2.55 International Sports Special — Table Tennis: Norwich Union English Championships, plus Greyhound Racing from Harringay; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 Dick Barton — Special Agent.
5.30 Happy Days.
6.00 Chips.
7.00 Dick Turpin.
7.30 Celebrity Squares.
8.00 Saturday Action: "Crisis At Sun Valley" (film made for TV).
9.45 News.
10.00 By Alan Bennett — Six Plays.
11.15 How To Stay Alive.
11.45 Baretta.
12.45 am Close: Peter Henry-Jones reads from the writings of Mao Tse Tung.

All IBA Regions as London except at the following times:—

ANGLIA

9.10 am Cartoon Time. 9.30 Positive Soccer With Jack Charlton. 10.00 The Secret Lives Of Waldo Kitty. 10.30 Tiswas. 5.30 pm Mork And Mindy. 6.00 The Life And Times Of Grizzly Adams. 8.00 The Feature Film: "The Captain's Table," starring John Gregson and Peggy Cummins. 11.15 Star Treatment. 11.45 Pro-Celebrity Snooker. 12.30 am At The End Of The Day.

ATV

9.10 am How To Stay Alive. 9.35 Positive Soccer With Jack Charlton. 10.05 The Lost Island. 10.30 Tiswas. 5.30 pm Mork And Mindy. 6.00 The Life And Times Of Grizzly Adams. 8.00 Saturday Cinema: "Catch Me A Spy," starring Kirk Douglas. 11.15 Cleo Lane *In Concert.*

BORDER

9.00 am Sesame Street. 5.30 pm Mork And Mindy. 6.00 Lucan. 8.00 Film: "The Most Dangerous Man In The World," starring Gregory Peck. 11.05 Celebrity Concert—Jose Feliciano.

CHANNEL

12.18 pm Puffin's Pla(i)ce. 5.30 The Life And Times Of Grizzly Adams. 6.30 Happy Days. 11.15 Fireside Theatre.

GRAMPIAN

9.00 am Sesame Street. 5.30 pm Sale *Of The Century, followed by area* weather forecast. Highland League and Shinty Results. 6.00 The Life And Times Of Grizzly Adams. 8.00 Feature Film: "The Comancheros," starring John Wayne. 11.15 Reflections. 11.20 Alex Robertson in Concert. 11.50 The Practice.

GRANADA

9.35 am Positive Soccer With Jack Charlton. 10.05 The Flintstones. 10.30 Tiswas. 5.30 pm Mork And Mindy. 8.00 The Big Adventure Film: "The Most Dangerous Man in the World," starring Gregory Peck. 11.15 City at Risk. 12.00 Sidestreet.

HTV

9.05 am The Special Child. 9.30 Beachcombers. 9.55 Cartoontime. 10.05 The Flintstones. 10.30 Tiswas. 5.30 pm Mork And Mindy. 6.00 Charlie's Angels. 8.00 *Saturday Cinema: "Molly And* Lawless John." 11.15 The New Avengers. 12.10 am Star Treatment.

HTV Cymru/Wales—As HTV General Service except: 5.30-6.00 pm Tevrnas y Crancod. 11.15 Cup Rugby. 12.00-12.30 am Star Treatment.

SCOTTISH

9.35 am Positive Soccer With Jack Charlton. 11.30 The Flintstones. 12.00 Wait Till Your Father Gets Home. 5.30 pm Sale Of The Century. 8.00 Feature Film: "The Comancheros." 11.15 Late Call. 11.20 Juke Box Saturday Night.

SOUTHERN

9.00 am Sesame Street. 11.30 Chopper Squad. 12.27 pm Regional Weather Forecast. 5.15 Batman. 5.30 Give Us A Clue. 6.00 Bionic Woman. 8.00 "Villa Rides!" starring Yul Brynner. 11.15 Southern News. 11.20 Michel Legrand and Friends.

TYNE TEES

9.00 Saturday Shake-Up. 9.05 Tarzan. 10.00 Call It Marconi. 10.25 Saturday Shake-Up. 10.35 Saturday Morning Film: "Blue Murder At St. Trinians," starring Terry Thomas and George Cole. 12.15 pm Saturday Shake Up. 8.00 "The Comancheros," starring John Wayne. 11.15 *Celebrity Concert: Jose Feliciano,* 12.15 am Epilogue.

ULSTER

10.10 am The Bubbles. 10.15 Spiderman. 10.35 Tarzan. 11.30 Sesame Street. 5.00 pm Sports Results. 8.00 *Saturday Movie: "The Comancheros,"* starring John Wayne. 11.00 Build Your Own Boat.

WESTWARD

9.00 am Let The Music Take You. 10.25 Saturday Morning Picture Show: "The Thief of Baghdad." 10.55 Positive Soccer With Jack Charlton. 11.25 Look And See. 12.25 pm Gus Honeybun's Birthdays. 5.30 The Life And Times Of Grizzly Adams. 6.30 Happy Days. 11.15 Fireside Theatre. 12.10 am Faith For Life. 12.15 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am Spiderman. 9.20 "The Last Safari," starring Stewart Granger. 11.05 Michael Bentine's Potty Time. 11.30 The Bionic Woman. 8.00 pm "The Comancheros," starring John Wayne. 11.15 Celebrity Concert: featuring Jose Feliciano. 12.15 am The Practice.

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 7.03 Playground. 8.00 Roy North with Junior Choice. *10.00 Peter Powell. 1.00 pm Adrian* Juste (S). 2.00 Paul Gambaccini (S). 4.31 The Bee Gees Story (S). 5.30 It's Rock 'N' Roll (S). 6.31 In Concert (S). 7.30 Mike Read. 10.00 Discovatin. 12.00-5.00 am: As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.06 David Jacobs with star sounds on records (S). 10.02 Kevin Morrison (S). 12.02 pm Marti Caine chooses records (S). 1.02 The Grumbleweeds. 1.30-6.00 Sport On 2: Football League Special (1.30, 2.10, 2.40, 3.45, 4.42); Racing from Kempton Park (1.30, 1.55, 2.25, 4.50 with classified check 5.45): Cup Rugby Special (1.30, 2.10, 2.40, 4.50, 5.25) John Player Cup, second round: 5.00 Sports Report: Classified Football checks, 5.00, 5.45; Rugby Round-up 5.25. 6.03 Pop Over Europe. 7.02 Don Davis's Just For Fun. 7.30 Radio 2 Top Tunes (S). 8.30 The Midnite Follies Orchestra in Band *Parade (S). 9.30 Saturday Night With* The BBC Radio Orchestra (S). 11.02 Sports Desk. 11.10 Ray Moore with The Late Show (S), including 12.00 News. 2.02-5.00 am You And The Night And The Music with Colin Barry (S).

RADIO 3

†7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.00 Robert Mayer Concert (S). 12.15 pm Robin Ray presents popular classics on records (S). 1.00 News. 1.05 Claude Helffer piano recital (S). 2.10 Man Of Action: Charles Causley chooses records (S). 3.25 Suk Trio concert, part 1: Schubert, Brahms (S) 4.10 In Short. 4.20 Suk Trio part 2: Dvorak. 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 London Philharmonic Orchestra part 1: Britten (S). 7.10 Where I Create I am True: Letters between Rilke and Salome. 7.30 London Philharmonic Orchestra, part 2: Bruckner (S). 8.55 A Language Not To Be Betrayed: The poetic achievement of Edward Thomas. 10.00 Peter Schreier song recital (S). 11.05 Sounds Interesting (S). 11.55-12.00 News.

VHF Only—6.00-8.00 am Open University.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport On 4. 8.45 Yesterday In Parliament. 9.00 News. 9.05 International Assignment. 9.30 The Week In Westminster. 9.55 News Stand. 10.15 Daily Service. 10.30 Pick Of The Week (S). 11.20 Time For Verse. 11.30 Wildlife. 11.55 Spiegl On Saturday. 12.00 News. 12.02 pm Away From It All. 12.27 The News Quiz (S). 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 Bookshelf. 2.30 Saturday-Afternoon Theatre. 3.30 Does He Take Sugar? 4.00 The Noble Savage. 4.45 Enquire Within. 5.00 Prefaces to Shakespeare. 5.25 Week Ending. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs (Nana Mouskouri). 6.50 Stop The Week With George Melly. 7.30 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 10.00 News. 10.15 With Great Pleasure (S). 11.00 Lighten Our Darkness. 11.15 The Life And Times Of The Piano (S). 11.45 Just Before Midnight. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News; weather, traffic, shopping, sport news. 8.15 *The London* Gardener. 8.30 Saturday Scene. 10.30 Sportscene. 11.30 The Robbie Vincent Show. 2.00 pm Bob Powel with London Country. 4.30 Marjorie Bilbow with Close Up. 5.00 Sounds Good; From 8.30 As Radio 2.

WEEKEND CHOICE

There being some reasonable big screen entertainment doing the rounds at the moment Saturday night would seem a good time to make an expedition to the cinema. The major televisual temptations are on latish anyway—the last of the Alan Bennett plays on ITV at 10.00 and the studio discussion of this week's fascinating Where We Live Now series on BBC-2 at 9.00. Studio chats tend to be *something of a let-down, but we* can but hope.

Sunday offers richer pickings: I wait with fascination and dread to see what Southern Television has done with my boyhood hero Worzel Gummidge (ITV 5.30). The casting of Jon Pertwee as Worzel exposes him to the affection or fury of the now middle-aged who recall Children's Hour with doubtless over-flattering nostalgia. A personal addiction to ITV's Two's Company will make things awkward if Henry VIII (BBC 2 8.00) proves gripping

TV RATINGS

Week ending February 18

UK TOP 20 (viewers m)

1	This is Your Life (Thames)	18.30
2	Coronation St. (Wed.) (Gran.)	18.35
3	Blankety Blank (BBC)	17.65
4	Charlie's Angels (ITV)	16.80
5	Coronation St. (Mon.) (Gran.)	16.75
6	Crossroads (Wed.) (ATV)	16.60
	Sale of the Century (Anglia)	16.60
8	Crossroads (Thur.) (ATV)	16.00
9	Crossroads (Tue.) (ATV)	15.75
10	Celebrity Squares (ATV)	15.70
11	Crossroads (Mon.) (ATV)	15.65
12	Mupet Show (ATV)	15.20
13	Liberace (ITV)	15.05
14	Butterflies (BBC)	14.95
15	Super Stars (BBC)	14.90
16	Emmerdale Farm (Thur.) (Yorks)	14.80
	News at 10 (Thur.) (ITN)	14.80
18	Jim'll Fix It (BBC)	14.70
	The Saint (ATV)	14.70
20	Emmerdale Farm (Tue.) (Yorks)	14.55

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)

1	Mork and Mindy (comedy)	ABC	33.7
2	Threes Company (comedy)	ABC	33.0
3	Laverne and Shirley (comedy)	ABC	32.0
4	Angie (comedy)	ABC	30.2
5	Happy Days (comedy)	ABC	29.9
6	Gone with the Wind, Pt. 2 (film)	CBS	28.9
7	Threes Company (comedy)	ABC	28.2
8	Roots 2, Pt. 1 (mini series)	ABC	27.8
9	Taxi (comedy)	ABC	27.6
10	60 Minutes (comedy)	ABC	26.7

A Nielsen rating is not a numerical total.

BOOKS

Close to Crown

BY C. P. SNOW

Edward VII: Prince and King by Giles St. Aubyn, Collins. £10.00 555 pages

The Prince Consort died in 1861, at the peak of the British power. He saw, more clearly than the Englishmen round him that the power was precarious: unless they were prepared to learn, the decline was already on the way. No one listened. His son, Edward VII, died in 1910, when the consequences of the decline were beginning to appear. Clear-sighted men were afraid of war. By now Britain had less resources (except financial) than Germany or the United States. Edward, not a thinker as his father was, nevertheless had a nose for danger and was trying to use his personal skills to help stave off war. As we don't need reminding, he didn't succeed.

The father and son make an interesting contrast, and so do our contemporary responses to them. In the standard dynastic fashion they couldn't tolerate each other. If the Prince Consort had lived longer (he died at 42), the conflict would have become more intense, and probably developed into something like detestation. The father was serious, intellectual, earnest like a good nineteenth-century German professor, deep-minded, obsessively puritanical. The son, was to use an understatement, not much of any of those things. The father didn't put any value on pleasure: the son didn't put any value on anything else. Nowadays it is common form to warm to Edward and to regard his father as though he were a specimen, conceivably worthy, of a species different from our own.

Mr. St. Aubyn is without qualification giving powerful support to the modern view. He is enthusiastically pro-Edward, in places losing the detachment of the good historian that he can be. He tells the whole story more than competently, and with insertions of indulgent wit. Much of the story is by this time well known, and St. Aubyn doesn't make, except occasionally by omission, any attempt at revisionist history. However, he has had access to sources which completely justifies this new biography.

Francis Knollys, who was Edward's confidential secretary both as Prince of Wales and King, destroyed according to instructions all the papers of Edward he could lay his hands on but preserved a good many of his own, including plenty of the exchanges between himself and Ponsonby, his opposite number in Queen Victoria's entourage. These have the charm of inside gossip, and are often much more than that. St. Aubyn, who has family connections with Knollys, has used them with professional acumen. Incidentally, Knollys emerges as an attractive character in his own right. Someone ought to write a book—maybe a collection of biographical sketches—about the Private Secretaries of the great Victorians, Corry, Hamilton, Ponsonby, Knollys, Bigge. In many ways, they were more complex in personality than their employers.

Francis Knollys was very far from being an upper-class nobody. Rather surprisingly, it turns out that for most of his life he was a genuine liberal (it was very good for Edward to hear liberal opinions from someone he trusted). Perhaps not so surprisingly, Knollys was apparently not much more bound by conventions of Victorian propriety than his master. He must, of course, have made discreet arrangements with a good many women. That would have been in the line of duty.

The picture of Edward VII in this biography is, in general, even more amiable than we have become accustomed to. This is partly because St. Aubyn plays down the more coarse-fibred stories, such as, for instance, the Prince's treatment of Christopher Sykes. Sykes was a toady, but that wasn't enough excuse. Nor is it quite such a glowing example of royal benevolence as St. Aubyn loyally suggests when, after Sykes had been reduced to penury by entertaining royalty for so long, Edward with a munificent gesture forbade him to send a birthday present.

One is left with the feeling that Edward, like a good many other libidinous men, wanted to see everyone round him happy, provided that it was at no cost to himself—cost including any interference with a whim or habit of his own. But there is no doubt that he gave out, and left behind him, a kind of radiance which better men more often than not singularly fail to do. Byron said something of the same kind about Sheridan, when news of his death came through. It was no use pretending Sheridan was anything in the way of a moral example—but still, Byron was reflecting, they had all had delectable times with him, and they would remember him when they had forgotten others.

Into the dark

BY JOHN BOURNE

An End to Promises: Sketch of a Government 1970-74 by Douglas Hurd. Collins. £4.95, 153 pages

Edward Heath: sepia snapshots of a distant man. He was a strong Prime Minister who had his own intense vision not only of a United Europe but of a Britain freed from both "the unacceptable face of capitalism" and from "a too powerful trade unionism." He was also the man who drifted to electoral defeat in 1974, and consequently to the loss of the Tory Party leadership.

The snapshots in Mr. Hurd's rather disjointed book are sepia because of Mr. Heath's remoteness, even though they were taken by one of those closest to him—his political secretary for nearly four years at No. 10, a bright young devotee who had passed out top of the diplomatic service exam in 1952, after Eton and the almost mandatory first class degree at Oxbridge. Mr. Hurd is also an elegant, witty writer of political thrillers and currently the Conservative MP for mid-Oxfordshire.

The less known sides of Edward Heath emerge in Mr. Hurd's latest book: the warmth and fluency of his expositions to various small, informal groups (he hated Press conferences) his sense of humour (he is usually wry, sardonic and quizzically immobile in private, so different to those heaving shoulders in public); and above all his near-passionate dedication to the belief that industrialists, trade union leaders and the public possess a rational core if he could only reach it.

Mr. Heath's inability to do so is the main theme of Mr. Hurd's book. His most dramatic failure (of which more later) was losing the 1974 election.

Mr. Hurd cites many instances of his leader's deficiencies as a communicator: his apparent indifference to the hard linguistic work which must go into the preparation of important speeches, his dislike of TV interviews and his overestimation of civil servants. These deficiencies, Mr. Hurd suggests, stem from Mr. Heath's almost puritanical belief that if he gives the bare facts of a desperate situation to the people he will spur them to action. Occasionally he succeeded. But often the speeches were uncomfortably full of facts and figures. Sometimes he perversely refused even to rise to what his political advisers (including Mr. Hurd) regarded as the "martial or emotional heights" which were imperative if the "troops" were to be inspired to fight a hard campaign.

However, the most closely read chapter of Mr. Hurd's book is likely to be the one dealing with Mr. Heath's defeat in the General Election of February 28, 1974. This is aptly entitled "Into the Dark."

In the month or more before the Prime Minister's decision to go to the country, Mr. Hurd and others in the close circle of political advisers had increasingly urged him to call an election on February 7 or 14:

> "On the 12th January I drew a parallel in my diary which often occurred to me in the next few weeks—that of Queen Elizabeth fencing with her advisers over the decision to execute Mary Queen of Scots. The advisers argued cogently for execution. The Queen's instinct was the other way. She led them a pretty dance before the deed was done."

Reading between Mr. Hurd's lines, Mr. Heath turned out to be a Hamlet. The options of February 7 and 14 slipped by and Mr. Heath chose February 28 "because he had no alternative to offer" and "events had taken over the argument."

The particular events were the lurch into a national miners' strike over the enforcement of incomes policy shortly after Lord Carrington, the new Energy Secretary, had announced that, in spite of an overtime ban by the miners which had begun in November, coal stocks might allow industry to move from a three to a four-day working week.

Mr. Hurd and many other Conservative MPs are still convinced that Mr. Heath could have won an election in early February because it would have taken place against the background of a miners' overtime ban instead of a strike. Some of them believed that public dislike of union power and militancy might have done the trick.

Earlier this week the ex-Conservative MP, Mr. Jock Bruce-Gardyne—now fighting a by-election—recalled a question he was asked at an election meeting in 1974: "If you win, what will you do about the miners?" Candidly he replied: "We'll pay them more money." The questioner: "In that case what the hell's the election about?" While Mr. Bruce-Gardyne was trying to talk his way out of that one, the audience roared with laughter. Nonplussed, he turned round and saw that "the portrait of Mr. Heath which had decorated the back of the platform had chosen that moment to crash to the ground."

Trevor Humphries

Heath: what the Secretary saw

One illuminating point made by Mr. Hurd about those traumatic weeks is that in times of crisis a Prime Minister often has his mind distracted. Princess Anne's wedding took place in mid-November, 1973, and in December there was a dinner at Chequers to the Italian Prime Minister, followed immediately by a helicopter flight to preside over the Sunningdale conference about Northern Ireland, three days later the State Visit of President Mobutu of Zaire, and then the European summit in Copenhagen.

Presumably Mr. Callaghan felt equally distracted when he returned from the recent summit of Western leaders in Guadaloupe to meet Britain's current industrial troubles.

Mafia men

BY JOHN DUNSTAN

To a Different World: The Land of the Mafia. By Gaia Servadio. Hamish Hamilton. £7.95. 190 pages

"The Mafia mentality, that's to try to be devious when everything's plain straightforward," said one of Miss Servadio's informants, when she came to Alcamo, long reputed to nurture the Mafia's own stone heart, with a BBC team to film the local "men of respect." Finally, she gets her "innocents" into Palermo's Ucciardone Prison, which the Mafia has turned into one of its strong-holds. Enigmaticly, they are provided with a military map of the jail. What deviousness is this? Prudently, they leave it behind.

Every book that can shine light into these murky depths is worthwhile.

Fiction

Going to extremes

BY ISABEL QUIGLY

Benjamin's Open Day by Jane White. Hamish Hamilton, £5.50. 186 pages.

Hasen by Reuben Bercovitch. Sidgwick and Jackson, £4.95. 142 pages.

Running Nicely by Morris Lurie. Hamish Hamilton, £4.95. 180 pages.

A Different World by Zulfikar Ghose. Macmillan, £5.95.

The Fight for Manod by Raymond Williams. Chatto and Windus, £5.50. 207 pages.

Benjamin's Open Day is witty and spare, a little fable about modern life. Benjamin is a dayboy at a public school, clever, misfitting, handsome yet despised. At home he keeps rabbits named after Homer's heroes. Achilles sulks in his hutch, Hector bites Benjamin's mother's lover's finger.

Suburbia blooms around them in high-coloured herbaceous borders and parties known as "do's." Access to the school cellar provides Benjamin with a place of escape and a means of revenge. Why not blow up the whole building, letting them think an overheated boiler has exploded? Why not indeed? Is Benjamin a psychopath, or justifiably avenging himself on a world too nasty for any other treatment?

He plants his bomb, kills and maims a few (not many), ruins the Open Day, frees his rabbits. A suicide, at about the same time, occurs; and what, the heartbroken parents of little Middleton think, or try not to think, was much older Gillingham doing in his room at half past three in the morning, carrying him naked to die in the burns unit of the local hospital?

The rabbits and their vengeful role, nomenclature and function, recall Saki perhaps too closely. The school horrors are perhaps too horrible, too repetitive, since not one but nearly every master is perverse, sadistic, violent in his treatment of the young; but the good-sort housemaster who cloaks his cowardice in non-interference is splendid.

What is impressive about this prettily told tale, underpinned with alarming venom, is the understated sense of moral outrage, of very occasional tenderness, of values scarcely enumerated but by implication important as the opposite of those that reign in Benjamin's world; that, and the sinister lightness with which it treats betrayal, lust, cruelty, human indifference, yet shows compassion for those who, like Benjamin, are spiritually starved in physical affluence, crippled through lovelessness.

Hasen is about children, too; in a concentration camp, or rather in and around one. One boy belongs to the commandant, who does (fairly kindly) what he likes with him. Another hunts for the commandant, bringing in hares and rabbits, living in a hole in the woods, cooking what he can for himself. But the real hunter is a third boy no one knows about, left for dead among corpses; and he comes to light only when he finds his nine-year-old brother in the camp and decides to take his place there, to let him live. There's no hope for anyone—commandant, boys, small brother, animals in the forest.

The writing is elliptical, the action almost hard to follow. Forest and wild life are more important than the mechanical action of the camp, which is hardly touched upon. The two worlds come together a little weirdly: a coverlet of rabbit skins saves someone from the cold, a bribe of venison saves another from death by overworking. The forest animals live their crowded, predatory life, and the past intrudes into the boys' memories: Dudie's of life in a cupboard, swallowing dust: Ritter's of a large house, a family of rich socialists; Perchik's of a crowded flat. Style and comment are both spare: death, loss, injury, pain, even love announced in throw-away words that highlight the only reality—survival; a reality that escapes the innocent.

Running Nicely consists of 17 short stories by the Australian, but much-travelled, Morris Lurie. These are set all over the place—in Lausanne, in an English village, in Athens, and here and there in Australia. The people in them are transplanted from here to there as well—an American frozen in an English paraffin-heated winter; two Englishmen in Athens; an Australian in Lausanne and other Australians up to all sorts of things in Australia. And some of these characters appear in more than one story—an irrepressible good friend called Rappaport appears in two, seems left over from others, almost novel-sized; and the Bornstein brothers ("orphaned at the respective ages of 12 and 22, our lives a grey drudgery of sockwashing, skimpy meals, unironed shirts, dust under the beds") take over, as observers rather than main actors.

The stories vary a great deal in atmosphere and technique, but the writing is spry, high-spirited, exact and often funny, using dialogue more than description, and above all varying the central figure, the "I" (or the "eye") that takes in the surrounding world. What is his—its—age, nationality, outlook, we never know till the story establishes it; which makes for a special surprisingness.

A Different World takes Zulfikar Ghose's Gregorio and his Brazil into the present (to understand which, you need to have met him in two earlier novels). This novel contains the rich—indeed lush—writing of the two earlier Brazilian (and Gregorian) novels, plus modern politics and some interesting political theories. An ambitious work, it over-reaches itself, I feel, in attempting too great a difference of scale and emphasis between the public and private worlds it treats.

Gregorio is today's political animal in a totalitarian country, pursued, interrogated, imprisoned, hounded, lionised, and at the same time leading his own intense inner life, the switch between which and the political world is too abruptly made. Intelligent, high-spirited, high-coloured, it seems not to have chosen its *genre* but to have put several, not quite successfully, together.

Raymond Williams's *The Fight for Manod* has a subject that seems chosen for its "relevance" to our times, a city in the countryside: shall it be planned and built: for whom, for what? The place is mid-Wales border country; the hero a native returned from middle-class academic life to his working-class origins nearby; the locals are closely concerned, involved, with what's happening. Farms, the shape of the countryside, its beauty and fertility or infertility, the criss-cross of marriages and children, inheritance and quarrels: all this is examined with care and a loving eye, with good ideas packed in neat and tight. But the writing is heavy, the characters are dully handled, and the whole thing seems built on a premise, a stock subject, a "good idea:" planning, idealism, big business, the pros and cons of this and that, shall it/shan't it go ahead, please/displease those involved? It sounds like the synopsis of a middling television documentary (interviews with this or that point of view), and its effect, alas, is much the same.

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Saturday February 24 1979

Nothing to celebrate

THERE ARE times when markets exhibit every symptom of manic-depressive psychosis, and the events of the last week, which turned the Government's funding operations into a disorderly casino, are an apt illustration. Markets tend to talk their own book, and while a few weeks ago investors seemed to see little in prospect but strikes, inflationary settlements, disruption at home and abroad, and inadequate Government policies, they now seem to concentrate on the strength of sterling, the Government's apparently restrictive policies, and the prospects of Conservative rule.

More rational

While the situation was never as bad as some comment suggested only three weeks or so ago—and we offended some readers by pointing this out—it has only changed radically since then in one respect. The apparent funding crisis is behind us, for a few months at least, and interest rates can settle to a more rational level. Otherwise nothing has changed. The oil market is still in disorder, the international situation remains forbidding, and the messy process of restoring some discipline to the labour market at home has advanced only so far as the leadership of the trade union movement has recognised that the more extreme forms of disruption undermine their own case. It remains to be seen how far they can enforce a decent standard of behaviour; they are likely to be fighting a losing battle as long as experience shows that militancy pays.

Inflated costs

What equally remains to be seen is how far the Government is willing or able to prevent inflated costs working through to inflated public spending. The fairly tight cash limits announced yesterday express a hope rather than a guarantee. They allow for price increases of 8½ per cent, but no more; but their meaning with respect to wages is by no means so clear. The suggestion is that there will be some give to accommodate the results of comparability studies and the rest of the public sector bargaining process; but it will not be clear until April 3 how far the Chancellor has allowed for this in his revenue planning. If the Budget provides little spare cash, then we will either face the first really severe test of cash disciplines later in the year, or Mr. Healey's successor will have to maintain his custom of two Budgets a year.

Meanwhile the strength of sterling, which is attracting foreign investors and reducing fears of future inflation, looks very different from the point of view of industry. With competitiveness under steadily increasing pressure, such extra burden as a rise of 20 per cent or more in road transport charges, a similar increase in local rates, and a very high cost of credit are causing acute problems. The recent plant closures in the tyre industry are probably the first of many; and while shifting resources from inefficient to efficient uses is the essence of long-term recovery, it is likely to be achieved by way of a painful purge.

One final item on this list of discomforts is readily forgotten. In recent years tight policies and recession have brought down interest rates dramatically. This time the relief is likely to be smaller if U.S. rates, as seems likely, are raised high enough to stabilise the dollar.

Instability

Even after the recovery of recent days, of course, London markets still stand low enough in historic terms to discount all the expected bad news. The level of prices and yields need cause little concern (interest rates will certainly tend to ease in a recession, though not dramatically this time). The instability of the markets, on the other hand, can hamper the real economy. It provides an unstable base for the financing decisions which are essential to long-term investment, and almost certainly makes the average cost of finance higher than it need be.

Both the farce of the new tap issues, which gave a profit of some £50m to those stags who joined the queue in good time, and the reappearance of foreign buying raise questions about the British system itself, which seems designed to breed instability and high long-term rates; City critics are polishing up their alternatives.

However, financial reforms, however desirable, will help only marginally in tackling the internal problems which have plagued the British economy for a century. Prince Charles offered a possibly naive but still useful reminder that not all the faults are on the trade union side; but the cure, which will mean not only facilitating sometimes painful change, but facing down militant blackmail, will require more than a smile and a personal greeting, or a stag party in Throgmorton St.

PARADOX IN THE CITY — BY PETER RIDDELL, Economics Correspondent

Fears of inflation and the rush for gilts

IT HAS been one of those weeks which people outside the City find so puzzling. The financial markets have been buoyant. Yet the short-term inflation prospects have deteriorated. The proposals for a local authority manual workers' pay deal—already in trouble—are worth anything from 11 per cent upwards, well in excess of the official guidelines, while the 12 month rate of increase in retail prices is heading back to double figures.

The contrast is not quite as paradoxical as it might first appear. This is partly for reasons to do with the gilt-edged market discussed in the article below—in turn linked with the view that the prospects for the economy may not be quite as bad as was feared a month ago. The key here is inflation and the Government's actual and expected response.

The inflation outlook has certainly deteriorated since last summer — first the Ford strike then the high BBC and lorry drivers' settlements and, now, the long drawn out public sector disputes have all bust the original 5 per cent wages/7 per cent earnings policy.

The pay round has, of course, not advanced far and there are strong pressures for big rises after three years of fairly tight pay controls—creating grievances among, for example, the low paid. But the process is not completely independent of market or other forces. These may not on their own contain wage rises initially but they may limit the consequences. In particular, there is the Government's commitment to strict control over the money supply—that is cash and bank current and deposit accounts—and over public sector borrowing, and to maintaining the stability of sterling. In the private sector this means that companies cannot count on a fall in sterling to accommodate higher costs, as in the past, and there will also be limits to industry's ability to rely on higher bank overdrafts.

Excessive claims

In the public sector, there is the intention to use cash limit controls on spending to curb excessive claims. But this is not a foolproof policy, as recent events have shown, though yesterday's statement by Mr. Joel Barnett, the Chief Secretary to the Treasury, indicated that excessive claims would not be fully accommodated and so services might be cut. Overall, given the combination of these private and public sector pressures, many economists reckon that the rise in earnings could still be less than the 14½ per cent increase in the last pay round.

But pay is not the whole of the story and indeed, a large part of the variations in inflation over the last two or three years can be explained by fluctuations in the exchange rate and in commodity prices. The stability of sterling during 1977 and 1978 and the weakness of commodity prices were reflected in a fall in the cost of industry's raw material for much of the period. The result was that in spite of an acceleration in unit labour costs from 8 per cent to 12½ per cent between 1976-77 and 1977-78 the rate of retail price inflation dropped from 17½ per cent in mid-1977 to 7½ per cent by last summer. This was partly at the expense of lower profit margins.

This could not, however, last for ever. Higher labour costs began, after the usual time lags, to work through to retail prices so that the inflation rate started to edge up during the autumn. Moreover, external influences have not been as favourable as before with, for example, the rise in oil prices as well as a more general increase in commodity prices over the last three months. The result has been that the cost of industry's raw materials has risen by 8 per cent in the last year, compared with a drop of 3 per cent in the previous 12 months. The short-term prospects have been aggravated by the bad winter weather and by the recent road haulage dispute; these pushed up the price of seasonal foods, such as vegetables, by 13½ per cent in the month to mid-January.

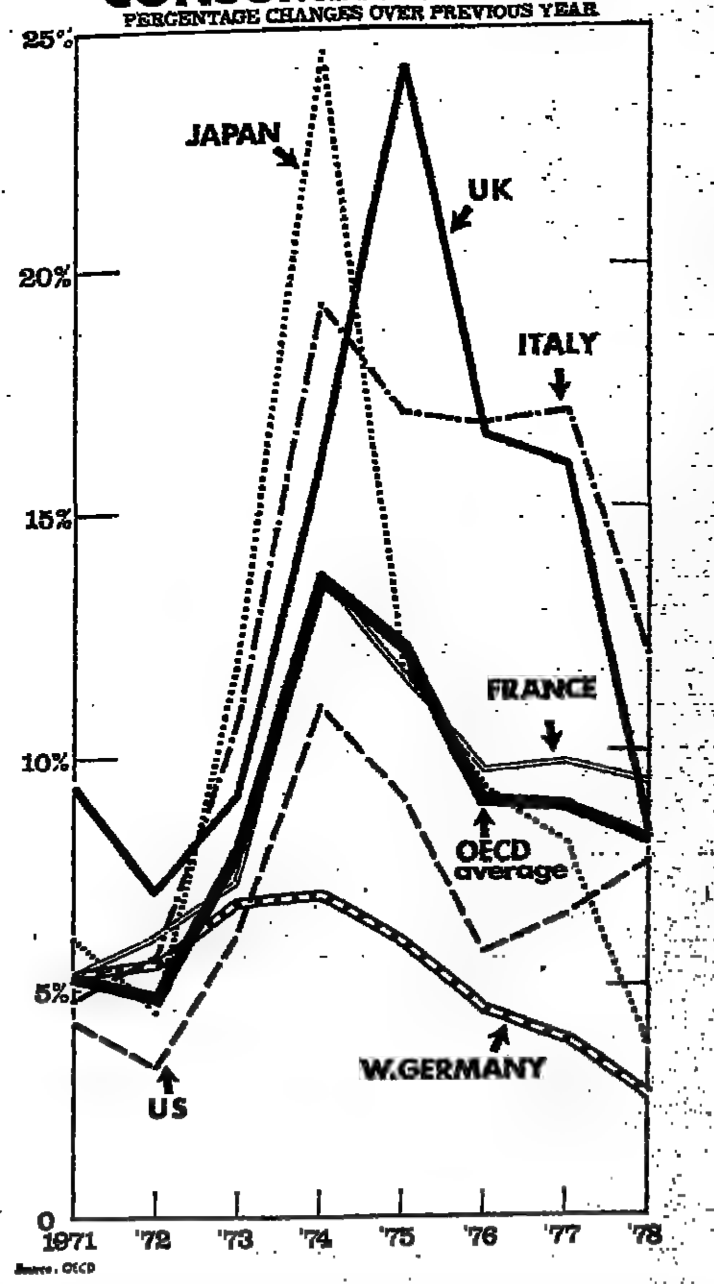
Consequently the 12-month rate of retail price inflation is already up to 9.3 per cent, and warning indicators such as the Price Commission index of notified rises suggest that the rate will be near or slightly above 10 per cent between March and May. While the acceleration has come earlier than expected, this does not mean that a repeat of the 1974-1975 experience is likely. Indeed, assuming that sterling remains stable and there is no commodity price explosion, it looks unlikely that the 12-month rate of price inflation will move much above, say, 12 or 13 per cent this year. This means, however, that the price of British goods will again be rising more rapidly than those of other major industrial countries.

But the markets have not been alarmed by this prospect because they believe both that current yields already discount the likely acceleration in prices this year and that there will not be runaway inflation thereafter.

The increase in Minimum Lending Rate may have allowed the Government to finance its immediate borrowing needs, but it does not resolve the potential conflict between fiscal and monetary policies. The pick-up in the inflation rate will itself push up public sector borrowing above the official £8.5bn ceiling though the exact level will depend on the balance between public and private sector pay settlements, the success of cash limits in surreptitiously squeezing the volume of spending and on the level of interest rates.

But the general City view is that there will be potential excess borrowing of between £1.5bn and £2bn and it is this gap which Mr. Healey now has to decide how to bridge. Whatever mix of tax increases and expenditure cuts emerges on April 3, the City is counting on this gap being eliminated—and if it is not or the measures are not plausible then the market could have a much bumpier ride.

CONSUMER PRICES
PERCENTAGE CHANGES OVER PREVIOUS YEAR



Foreigners help to upset the market

BY BARRY RILEY

ON FEBRUARY 8 the Government broker slashed his selling price for what was then his long tap stock, Treasury 12¾ per cent 2003-05, by over £7 to £88 per cent in order to persuade the investment institutions to come in as buyers on a worthwhile scale.

Yet only a fortnight later there was a near riot at the Bank of England as investors scrambled to hand in their applications for two subsequent issues, and yesterday these opened at unheard of premiums of around £3-£4.

In just over two weeks the Government has succeeded in achieving actual or contractually committed funding of well over £2bn. But it has been at the cost of conceding interest rates of well over 14 per cent for up to 26 years ahead, and at the cost of generating highly unstable conditions in the once dignified gentlemanly market for Government securities.

Leading gilt-edged experts do not mince their words. "The professionals in the gilt-edged market are disgusted by what is happening," said one on Thursday as a furious row broke between the Bank of England and the various City institutions and brokers which failed to get their clients' application forms across the counter before the shutters came down at 10.01 am.

The importance of the gilt-edged market in terms of its role in economic management has expanded tremendously in the past decade, but some argue that the techniques with which the Government manages its borrowing requirement have not made a corresponding advance in sophistication.

As recently as 1972 the Government was actually a net purchaser of gilts, but since 1975 the authorities have sold between £5bn and £7bn net of new stocks each year. Not only has the Government had a large deficit to finance, but it has developed increasingly precise targets for monetary growth which can only be met in the short term if there is a comparatively even flow of sales of gilts.

These monetary constraints have led to a series of minor crises of which a typical example has been building up since Christmas. Rising short-term interest rates were encouraging potential investors in long-dated securities to hold off, and then banking sector statistics published early this month showed that the money supply had surged in January—by 2.6 per cent—in a way which left sterling M3 (the measure used as a target variable) above the growth range permitted.

In such circumstances a vicious circle develops. The City's investment institutions stop buying gilt-edged because the money supply is growing too fast and they fear that a rise in interest rates will be necessary to correct the pattern. They will make a capital loss on any stock bought ahead of the rise in rates. Meanwhile, because the Government's deficit is reflected in the banking system and is not being properly funded, the money supply grows still faster.

Because the only way of breaking this vicious circle is for the expected rise in interest rates to take place, a regular pattern has been established in the gilt-edged market for large-scale sales of gilt-edged to take place after economic "packages."

Thus on June 8 last year Minimum Lending Rate was raised by a point and there were assurances about the size of the public sector borrowing requirement. The gilt-edged tap stocks promptly sprang into action. On November 10 MLR was put up again, by 2½ points, and next day the long tap stock was sold out.

On February 8 the formula was repeated yet again. Up went MLR, this time by 1½ points, the Government broker negotiated with the jobbers and brokers to find a price at which the institutions would be big buyers, and yet another tap stock was on the way to exhaustion.

Various ideas have been put forward to bring an end to this cycle of feast and famine. Two have actually been adopted by the Bank of England and the Treasury; partly paid issues spread the funding impact of the periodic buying sprees over several subsequent quiet months, while the variable rate issues (of which there have been three so far) have in a modest way served to keep sales going at times of rising interest rates.

More radical proposals such as that the Treasury should hold regular tenders of Government stock, just as it does for bills, or that it should issue a still wider range of types of securities including, for instance, index-linked bonds have not met official favour.

If nobody but the Government and the institutions had been involved, this week's embarrassments would probably have been avoided. The two new issues which sold out in such a dramatic style were designed to exhaust the pre-Budget buying appetite of the big funds. But the intervention of foreign investors helped to upset a delicate balance.

Foreign speculators intervened in a major way in the UK gilt-edged market once before, in late 1976 and 1977. At that time sterling was recovering from rock bottom levels and interest rates were tumbling fast. Official figures show that over £1bn of overseas money (excluding central banks) went into gilt-edged during 1977, and many suspect that the statistics do not tell the full story.

Now, international bond fund managers are again turning their attention to Britain. They see a country which thanks to its oil resources will have a good balance of payments, at least for a year or two. They also note that the Government is determined to hold to its monetary targets, and has abandoned its longstanding policy of regular currency depreciation.

In such circumstances they appear to judge that the interest rates which have been determined by purely domestic considerations are out of line with rates in other countries. The actual volume of money which has come in has probably not been very large but overseas investors are known to take new issues of gilt-edged securities more literally than the City (which tends to buy when the stocks are operated as taps in the market later on) and the domestic institutions have not been able to remain relaxed about the still high level of liquidity in their portfolios.

It is an intriguing question whether the foreigners, looking at the big picture from outside, see gilts in a more accurate perspective than UK buyers obsessed by strikes, pay fears, rubbish piled in the streets and political calculations about the Budget on April 3.

But if the Treasury decides to hold a post mortem on the new issue debacle of the past week, in which speculators have been presented with quick gains of nearly £50m, the mandarins may well ask the question of whether the manipulation of short term interest rates should really be the best way of achieving the Government's long term funding requirements.

Letters to the Editor

Microprocessors

From Julia Little

Sir, — Mr. Gibbs (February 19) unfortunately puts forward an emotional and nostalgic argument about employment. Such is our low level of productivity, it is unlikely ever again to reach the level where it will earn enough for one partner to remain at home.

Changes in expectation will make it unlikely that the majority of women would in the future opt out of the opportunity to work even if it was not financially necessary, and it is equally unlikely that the majority of men will in the foreseeable future see themselves in an essentially domestic role. Job-swapping and role reversal may become the prerogative of an "educated" minority but it is difficult to imagine the bulk of British employees, especially those in the regions, grappling happily with such a concept.

Improvements in family life are more likely to come from shorter working hours by both partners, but only if productivity really manages to reach a profitable level. At the moment most productivity deals are being built upon such low levels of output that they are simply continuing the basic problem in another guise. Only a full contribution from both partners can provide the answer.

Julia B. Little.
(Women in Management Group)
113, Knatchbull Road, SE5.

Pensions

From Mrs. H. Derrick

Sir,—It is immaterial how the civil servant's pension is made up. The fact is that he and all other public service pensioners are, rightly, getting the pensions they have been expecting and paying for all their working lives.

The private pensioner is not. His pension has been reduced to something like 38 per cent of its value since 1971, through no fault of his own. In ten years' time, even if we have only 10 per cent annual inflation (which I doubt), it will be worth only 14.7 per cent of what he has paid for.

Are we supposed to be a fair society or not? Is it right that the wealth producers should become paupers in their old age? What are the leaders of the private sector doing about it?

H. M. Derrick (Mrs.),
The Change,
Randwick,
Stroud, Glos.

Tax

From Mr. G. Austin

Sir,—Your "Money Monitor" article (February 10) regarding the new life policy tax relief system prompts me to draw attention to the fact that holders of policies having an annual premium of less than £20, who at present are entitled to full tax relief at the basic rate, will under the new system, get relief only at 17½ per cent.

The Inland Revenue, which confirms this, defends its action by referring to the current full relief rule as a "concession" which it can withdraw arbitrarily. The newspaper advertisement, which carefully omits any reference to this injustice, gives only one example, e.g. that relating to a premium of £120 per annum.

There must be hundreds of thousands of small policy holders, who in effect, will pay more tax under the new legislation.

G. C. Austin.
171 The Gateway,
Marine Parade,
Dover, Kent.

Dockland

From the Leader,
Greater London Council.

Sir, — It is interesting that Christine Moir's report (February 16) on the Government's decision not to support the World Trade Mart development in Surrey Docks should coincide with an announcement about the Port of London Authority's finances.

The PLA expects to lose £17m this year. The Government is expected to "inject" £35m (to be followed in future years by even larger sums) solely in order to keep unemployed dockers on the books—and out of the statistics?

In complete contrast, the Government has refused to guarantee—not provide, mind you, but guarantee — the £43m needed for the Trade Mart. This stance has been adopted even though it would provide real jobs, would not necessarily mean government expenditure at all and if it did cost public money the contribution would be spread over ten years or so. The Government also stopped Greater London Council from guaranteeing the money.

What a crazy world our Government lives in. Thumbs down to investment which, even if the doom-merchants' view of its commercial prospects were correct (which it is not), would at least provide work; thumbs up to enforced idleness at vast public expense. Could it be that the difference lies in the fact that the Trade Mart's backers are not members of the Transport and General Workers' Union?

Horace Cutler.
County Hall, SE1.

Innovation

From Mr. A. Lewis

Sir,—Your article on corporate response to technological innovation (February 14) comes as a timely reminder of how companies shy away from new technology, preferring instead to expand through acquisition. This is likely to inhibit greatly our national chances of responding to the opportunities to be exploited within the micro-processor revolution in the next decade. Unfortunately there is mounting evidence that acquisition is generally only a viable proposition if rationalisation occurs. This is likely to be increasingly difficult in the projected industrial relations climate.

The process of innovation must not be treated as if it were the responsibility of a specialist arm of the company: the chief executive must be the chief innovator, using his R and D effort as a means of increasing the technological options open to his company. The search for new products should be engaged through systematic market analysis combined with creative and determined efforts by an integrated task-force allocated full-time to new product work, and drawn from the various departments of the organisation. During commercialisation, the team needs close contact with board and key-customers to permit the necessary selling—both inside and outside the company. Risks should be reduced wherever possible by identifying stepping stones or interim targets to be reached to justify progressing to commercialisation (a pilot plant stage is an example of a stepping stone).

I would suggest that incremental growth through new-product development can be a cost-effective route to organisational change, and deserving of more attention than it receives by many companies contemplating diversificational activities.

Alan Lewis.
(Innovation and Creativity Research Programme),
Manchester Business School,
Booth Street West,
Manchester.

Strikes

From Mr. J. Evans

Sir,—Might I reply to Mr. David Luxton's response (February 20) to my letter. The manner in which I put forward the suggestion was, after all, somewhat controversial.

The Government has, in effect, been financing British Leyland's strike losses for years, so why the outburst? Mr. Luxton was so intent on labelling me "anti-union" that he missed the point of my letter. Of course I share his views on incomes policies — to assume otherwise was to mis-read my letter—but there can be no escaping the fact that at the time of the Ford strike the Government, rightly or wrongly, considered a 5 per cent pay norm as necessary for the country. This being the case I believe that no Government has the right to expect a private employer to suffer massive financial losses to carry out a Government policy, especially a non-statutory one. Any justification the Ford workforce may have had in their action is secondary to this and just clouds the issue.

In choosing not to comment on the first half of my letter, is one to assume that at least Mr. Luxton agrees that the outcome of the strike has not really benefited the Ford workers or the country as a whole?

J. T. Evans.
19, Melrose Avenue,
Whitton, Middlesex.

Currency

From Mr. R. Leakey

Sir,—The European Monetary System, the Green Pound, the inability of Third World countries to afford food, which might be surplus in the more developed countries, among other things indicate that society has become too complicated for one currency to work well for everything.

The concept of dual currency as a tool to solve these and other problems is based on the assumption that money is paper related to human energy, which governments can print at will. From a token for goods that changed hands for barter, money now motivates government services, taxes, savings, war preparation, and a host of other purposes — some quite unconnected with barter or human energy. Currency split priority No. 1 (there could be others) is to have one currency for everything we eat, except alcohol and smokes, and to use our present currency for everything else.

The principle would be that food currency, apart from affecting the domestic shopper and cook, and everyone who eats, will be administrated like a VAT by the food producers (3 per cent of the working population in this country, who farm and fish commercially) and by the food processors and distributors. That human beings have more or less standard size bodies that can only eat four meals a day limits the amount of food currency printed to the size of population and food available.

Food currency would have these main features; it will be a human right, at first nationally but later universally; like war-time ration books the currency would change periodically to discourage savings, loans and interest; it would have two values, one based on what nature provides free—like fish, fowl and grain — which would vary with availability, and the other based on the cost of labour to produce and process the food, which would again vary locally and ensure that the cost of food should be cheaper where grown. So, instead of paying the farmer for his potatoes, as now, he would be paid only for his labour (plus production bonuses) in producing the potatoes, and be paid in food currency which he would convert into present currency. Apart from the extra labour of currency conversion it would make no other difference to the food-producing industry.

Unlike EMS, which is an attempt to unite all monocurrencies of the EEC into a common international vertical-currency for everything, dual currency would leave our present currencies separated, if need be, by national frontiers as now. All that would happen with dual currency is that money spent on food would be split from present currencies horizontally across the frontiers: or it could be two currencies within a single country. So for a country like Britain, for instance, it would be like buying our food with Francs or Marks, which have an exchange rate against the pound. This would insulate food prices from the fluctuations of sterling's inflation, as if we bought our food from a foreign country with a stable currency, and be just one of the advantages of dual currency.

R. D. Leakey.
The Sutcliffe House,
Belle Hill,
Settle, Yorks.

The great Euro-chase through the snow

BY DAVID CURRY

OM COMMITTEE room to nmittee room they staggered. h week their features were re drawn, their speech notes htly grubbier and the jokes der. Through blizzard, flood hail they ploughed. By car, in and helicopter they sought promised land.

he biggest political auction ce the war was under way. for grabs were 78 seats resenting England, Wales Scotland in the European rliament to be elected ectly by the people on June 7. d the weary band of pilgrims re the candidates, ranging m their 20s to their 70s, king the job of representing chunk of half a million ctors in that Parliament.

The starting gun for the final int was fired just before ristmas, when the final shape the constituency boundaries Britain was settled by the undaries Commission (North- Ireland will elect three mbers by proportional repre- itation to avoid the risk of exclusively Protestant con- gent to Europe). First into stride was the Conservative ganisation in the Cambridge- re constituency: it began in- viewing its short-list four ys after Christmas and, well fore January was out, Sir ederick Catherwood was ely installed as the prospec- e Conservative candidate for mbridgeshire and able to tch the snow fall with rela- e equanimity.

Candidates

Throughout January and bruary the great candidates' oss-country race gained pace th a vengeance as the orders ent out from party head- arters to get selection com- eted before the country found self plunged into a March neral election.

But the initial moves had been started almost two years before, when Conservative Central Office had begun to interview potential candidates for its list of approved Euro-hopefuls. The final list, *numbering around 200,* was drawn up at the end of last year from about 900 applications. Modesty is not a political virtue, and when the select 200 were asked to tick the constituencies for which they wished to be considered Central Office found that some people were ready to lay siege to as many as 20 seats. Discreetly the word went out to limit ambition to 15 or so.

Selection procedure was laid down by Central Office. A selection committee in each *Euro-constituency, made up of* senior association officers from each of the Westminster seats within the Euro-boundaries, whittled down the original applications to a dozen or 15 on the basis of the written biographies supplied by candidates.

With the winnable seats attracting up to 60 or 70 applications this was already a fairly sharp pruning. One or two constituency associations were more charitable. Surrey, the most desirable Tory property in the country (a lead of 26 per cent or more than 100,000 on *the basis of the October 1974* general election results), was more ecumenical: it interviewed almost 40 candidates.

In each constituency the initial short list was to be cut back to a semi-final of five or six, in front of the selection committee enlarged to become the European Constituency Conservative Council. The final three were pushed through to face a general meeting of up to 500 people drawn equally from the constituent parts of the seat.

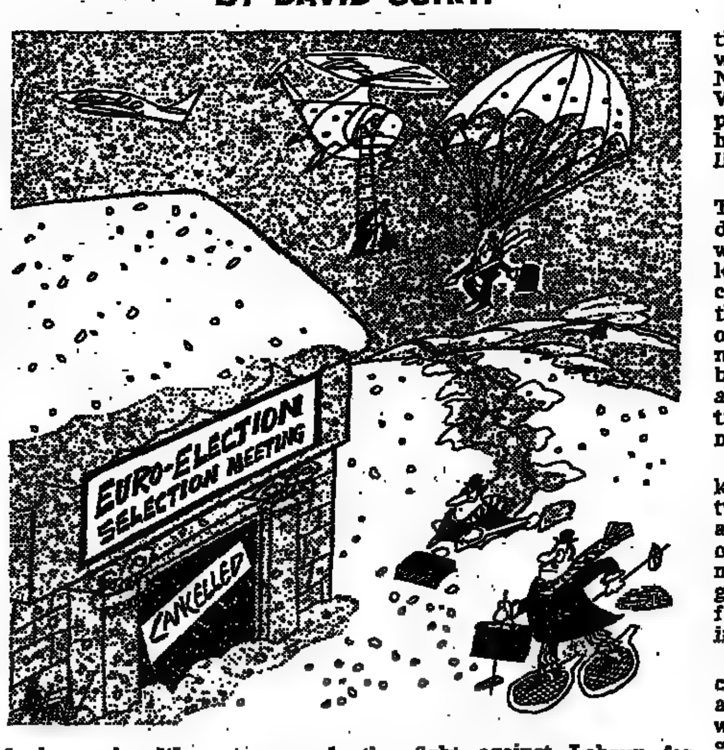
All this looked clean, neat and democratic. But it reckoned without an increasingly familiar tyrant—the weather. For the most carefully laid plans can suffocate in a snow-drift—and many of them did.

The trouble was that many candidates had reached the short-lists of several seats and found themselves with as many *as four interviews on a single* day—separated by the Arctic wastes of the January countryside. One candidate found him*self with two interviews west of* London in the morning and an East Anglian final in the afternoon. He had a helicopter *standing by*—but it could not take off in the weather. The "reserve" who had been designated for the constituency was tracked down even further west but ploughed his way home through the drifts to take the nomination. Another candidate also had helicopter trouble. His chopper dropped him in a field near his interview town for the waiting car . . . *only* the car was not waiting and he hitch-hiked in some disarray to the meeting.

Local hostelry

Only two out of a short-list of nine managed to battle through to Lincoln for interviews and one final selection rally in a seat close to London almost disappeared into the local hostelry because at the appointed time of 8 pm the three candidates were the only people who had emerged out of the snows.

The weather was *only one* problem. There was also the irritating case of the dwindling short-lists. As many candidates were common to several short-lists, constituencies which left an interval before final selection found their candidates disappearing before their eyes. Leicestershire, deciding that drastic action was called for, *summoned up additional* candidates and held all three selection rounds within two days in a sudden-death play-off. Wight and Hampshire, Hereford and Worcester and Bedfordshire all took emergency action to re-stock their applications lists.



For those candidates who had *to go through a sequence of* interviews in different seats the pitfalls were obvious. At least one candidate did himself no good at all because, invited to explain why he was so enchanted with the prospect of representing Suffolk he got his notes mixed up an extolled the beauties of Surrey.

At the moment 57 Tory candidates have been chosen. They include a sprinkling of members of the House of Lords (Baroness *Elles, Lords* O'Hagan, Harmar-Nicholls, St. Oswald and Bethell) while the Marquess of Douro, the son of the Duke of Wellington, should not find the fight against Labour for Surrey too much of a close run thing.

There are also a group of Westminster MPs who will have a dual *mandate to sit in the* Commons and at Strasbourg: Messrs. Scott-Hopkins, Spicer, Normanton and Sir Brandon Rhys-Williams while Mrs. Eileen Kellett-Bowman, with a dual mandate and her husband Edward, who is fighting East Lancashire for the Tories, might even achieve a strictly-in-the-family triple.

Over the road at Transport House, Labour has already 33 candidates under its belt, and contrary to predictions the pro-Marketeers are running as strongly as the antis. If the pros and the antis form competitive blocs within the delegation, Mrs. Barbara Castle, if she wins her Greater Manchester North *seat* and Dr. Ernest Wistrich, director of the European Movement, who should sail home from Cleveland, look the *likely faction leaders.*

Labour had a very loose Transport House list of candidates, but the real selection work was done at constituency level. Each local constituency could send three nominations to the European constituency organisation, which boiled the names down to a short-list before organising a final before *an audience of* 20 *representa*tives from each House of Commons constituency.

The party has completely outlawed the dual mandate, and two MPs, Sir Geoffrey de Freitas and Mr. Colin Phipps were obliged to announce their Westminster resignation at the next general election in order to run for Europe. They are still look*ing for seats.*

With the general tide in the country favouring the Tories, and Tory party workers on the whole more likely to work to get out the vote, Labour could face a thin time. But at least *the most solid seats* are all Labour—there are no fewer than 13 which in 1974 had a lead of more than 20 per cent for Labour. Even in the worst of all possible worlds it is hard to see a Labour lead of 45.7 per cent in South Yorkshire evaporating while the candidate for South-East Wales, with a modest 185,000 votes lead, can probably order *his* headed notepaper safely. Up to now Labour has neither a peer nor a trades union official on its books.

Meanwhile, round at the Liberals, enthusiasm is running ahead of organisation. Only 14 candidates have been selected, owing partly to the difficulties in finding manpower to set up the necessary organisation on *the ground. Selection is being* done either by holding a series of meetings of finalists in different places in the constituency (voting, of course, by single transferable vote) or by holding a postal vote of paid-up members. The system is not fool-proof: in at least one seat people who have never voted Liberal in their life are receiving ballot papers *through* their doors.

Still, some of the party's "Euro-buffs" *have* seats. Lady Seear is tackling a 17 per cent Tory lead in Wight and East Hampshire where the Liberals ran second in 1974. Christopher Mayhew is fighting Surrey while Russell Johnston is standing for the Highlands and Islands.

On the ground the Tories, with the most permanent agents and relative harmony in the ranks about Europe (it made sure its candidates were pro-*Europeans) will be the* best-organised. On average each constituency organisation is allowed to spend around £15,000 locally.

Local treasurers would like a general election first: they think contributors may be reluctant to fork out for a European election if the general election is looming behind it. The *worst nightmare would* be simultaneous campaigns—the electoral rules are such that European and Westminster campaigns would have to be kept absolutely separate, and with a European campaign superimposed over anything up to 10 House of Commons constituencies this would be a hazardous business.

Local MPs

Many candidates are devoting their early efforts to establishing good relations with the local Westminster MPs who are, technically, their constituents. The idea of a youngish Euro-MP breezing into his personal fief has caused many an old-established Westminster member to growl in irritation. The MPs, Labour and Conservative, whose European constituencies include the seats of established anti-market Labour Westminster members can look forward to a life fraught with interest.

Peers' chorus

None of the parties has thought out how European MPs *should tie in with Westminster.* There have been suggestions for a "grand committee" of Euro-MPs and Westminster members with European responsibilities: there has been a (hastily scotched) plan for Strasbourg MPs to speak but not vote on the floor of the Commons.

There were even noises about making Euro-MPs members of the House of Lords for the duration of their mandate—an idea which conjures up a captivating image of the massed ranks of British Euro-MPs arriving in Strasbourg singing the peers' chorus from *Iolanthe*—a piece of musical comedy which would at least suit the architecture of the Council of Europe building in Strasbourg *in which* the Parliament is fated to sit.

But before then come the realities of the campaign—and preaching to an electorate which has still a very hazy notion of how the EEC functions and what *the Parliament* is going to do in it. At least, there are some familiar landmarks. One Tory candidate, having waxed eloquent about the need for peace, democracy and freedom in Europe invited questions and was asked: "Tell me, my dear, what are you going to do about hanging!"

David Curry recently won the Conservative nomination for the Euro-constituency of North East Essex.

Weekend Brief

Royal progress

When the Queen arrives tonight or the official banquet to be iven in her honour at the Meridien Hotel in Abu Dhabi, he will be in *surroundings* hich, though suitably Middle astern in opulence, may just lso have a familiarly British ppearance.

For, in a surprisingly magnanimous French gesture owards British taste and design, ie owners of the five-star hotel, ociété des Hotels Meridien, an ssociate of Air France, en*rusted the entire work of* urnishing and decorating the nterior to the UK's biggest extiles group, Courtaulds. The ontract, the exact size of which s not being disclosed, is the iggest yet by a new Courtaulds *ubsidiary, Courtaulds Contract* urnishing, set up three years go to win turnkey furnishing eals and now doing business stimated at around £3m a year.

A number of companies in the JK and overseas are now involved in supplying turnkey ervices for the equipment of otels. But Courtaulds is hoping t will score as a result of its bility to supply a very wide ange of products that will be eeded from its own resources, *hereby helping to cut costs.* Whereas many design companies ompeting in the field carry out nainly an assembly operation, ringing together products nanufactured by a number of ompanies, Courtaulds itself *nakes paints, floor* tiles, blanets, and furnishings, as well s more conventional textile roducts such as sheets and illow-cases and curtains.

CCF can also call on a range f other group services. The *ompany* is itself a subsidiary f Courtaulds Engineering, which builds and designs actories for the group and for utside clients, and which has t its disposal architects, nechanical and structural ngineers and quantity surveyors. Other group services, uch as the technical, legal, narketing and fashion departnents, can also be used, and leals are processed through the xport department, which andles a total of £1m a day of *Courtaulds' overseas sales.* The roup's purchasing department finds equipment — such as wallpaper — which Courtaulds doesn't make. And in the case of the Meridien in Abu Dhabi goods were obtained from as far afield as Hong Kong, India, Switzerland, France, and Italy, as well as the UK.

"We started the company as a vehicle to boost group sales, without really knowing what the scope might be." Mr. John Harvey, a director of Courtaulds Engineering said yesterday. So far, apart from the Meridien contract, won against competition from a number of other *potential suppliers* around the world, CCF has equipped a number of other hotels, offices, and housing complexes with part packages consisting of linens and curtains and other textile accessories. Practically all business has *so* far been overseas, and growth is expected to continue to come, mainly from the Middle East.

For the Meridien itself, COF chose as designers the King Partnership, a leading international specialist in hotel interiors. The Partnership's design incorporates an arab *theme and a French flavour.* Individual artists, including some from the UK, were also commissioned to produce special works for the public areas.

Traveller's duty

Arriving jet-setters entering through Britain's airports yesterday had a somewhat smoother customs procedure than usual, even if immigration proved to be a bit sticky. Doubtless now we will all be assaulted with tales of how neighbours managed to get through Heathrow with £1,000 worth of this, that and duty free other. But is it all worth it? Be sure next time that neighbour goes off to Palma for the annual holidays, questions will *be asked about all that elaborate* equipment. Declaration, on one of those honesty box papers, will in theory bring a bill for 13 per cent import duty on cameras, plus 12.5 per cent VAT, about £27 on every £100 spent (*VAT is levied on the duty too,* unfair isn't it). On watches there is only standard VAT to pay, unless the thing is so glossy that it is considered jewellery. The base price is the one you paid, and there's a £28 non-EEC *allowance anyway.*

Given that some duty free shop prices are less than half UK retail tags, payment of the additional money would seem a small burden. Colleague Lucia van der Post offers advice on such buying on *page 13.*

A couple of experiences endured by friends have had a salutory effect *on me.* One, foolish lad, waltzed confidently through the Green clutching a couple of hundred pounds worth of lenses. He was stopped, held, and asked to complete a form detailing everything he had brought in over the previous two years—"and then we'll go and search your house, Sir, to make sure."

No wonder when I arrived from Singapore a couple of days ago I braved a long line of *returning ships crew, each seem*ingly loaded with hi-fi outfits and camel saddles, to make my declaration. There was nothing *to pay on my purchases* — an umbrella and two pineapples.

Dutiful citizen using the honesty box yesterday

Era ends

This afternoon Italy and Holland, on World Cup form Europe's two most powerful soccer nations, meet in a friendly international in Milan's San Siro stadium. But they will be *playing in a city in mourning,* in a Milan bereft of its best loved footballing son.

Nereo Rocco, who died this week at the age of 67 was in fact from Trieste. But it was with AC Milan that he achieved the feats which make him Italy's most successful ever club manager—and his country's equivalent of Herbert Chapman, Bill Shankly and Brian Clough rolled into one. He was a larger than life figure of whom a thousand stories are told, a giant whose *appeal stretched beyond the* emotional, self-obsessed world of Italian football.

At his funeral on Thursday 5,000 people turned out in Trieste's icy cold to pay their last respects. Among them was Gianni Rivera, *the ageing* "golden boy," the sole member of Rocco's sides of the 1960s still playing today. By temperament Rivera, the sensitive, graceful inside forward, should have been poles apart from the growling rumbustious Rocco yet he described the loss as of a second father.

Corriere della Sera, the newspaper which embodies Milan's serious bourgeois self, devoted two whole pages to Rocco's death. The director Federico Fellini even wanted him to star *in* "*Amarcord,*" the film on Emilian and Roman life in the 1930s. Rocco turned him down: "Sig. Fellini," he is said to have replied, "I can't act . . . or rather I do, in my own way, every Sunday afternoon."

His death closes an era of Italian football. Rocco was the inventor of "catenaccio," the notorious "bolt" system of mass defence, that won trophy after trophy for AC Milan, and for Helenio Herreras Internazionale in the last decade—and for Italian soccer an enduring reputation for negative, tedious play.

He took over AC Milan in October, 1960 and one of his first acts was to sell a certain British inside forward called Jimmy Greaves back to Tottenham Hotspur in London, to the advantage of both clubs and the player. In *1963* and *1969* Milan won the European Cup, on the second occasion followed by the Intercontinental Cup at the expense of Estudiantes of Buenos Aires.

Although no-one guessed it at the time, Rocco's greatest triumph was the beginning of the subsequent decline of Italian football, at least at club level. Catenaccio's time had come and gone, superseded by "total football" pioneered by the Dutch of Ajax, Amsterdam, and developed in different ways first by Bayern Munich, then by Liverpool. Italy may now have *the star* footballer in Paolo Rossi, but its league, week in, week out, remains dull, and weighed down by nil-nil draws.

It is a strange irony that today's match, in which the Italian players will appear with black armbands to mark Rocco's death, will be against the country which developed the style that made its own obsolete. And even more so, that his beloved AC Milan, once more the team to beat in Italy, lead the league thanks to an attacking style that owes far more to Ajax, Johann Cruyff and Holland than to the old-fashioned methods of Rocco.

Lost ticket

The Australian entertainment industry has been thrown into turmoil by the collapse of a recently formed computerised ticket selling operation. Computicket, a company which counts the businessman Harry M. Miller, the retailers, Myer Emporium and David Jones, and the newspaper group, David Syme (a partly-owned subsidiary of John Fairfax), as shareholders, was placed in *voluntary liquidation on Mon*day. Earlier in the day the company stopped selling tickets around Australia, throwing into chaos bookings for pop concerts, theatre and opera in all capital cities. Computicket, based on a *system devised in South Africa,* sells tickets for some of the biggest name performers in the world, including rock star Rod Stewart, World Series Cricket and the Australian Opera.

The manager for Rod Stewart, Mr. Billy Gaff said that payment had not yet been received for the Melbourne concert last weekend. *Stewart went ahead* with a concert in Sydney on Monday, although he was unsure whether he would be paid.

The Australian Opera House has already had its complete 1979 subscription of more than 160,000 tickets sold through the agency. The president of the theatre producers and entrepreneurs association, Mr. Paul Riomfalvy said that all tickets would be honoured.

Computicket shareholders have announced that they will extend funds directly to promoters to ensure acceptance and honouring of all Computicket bookings. Acceptance of the system did not at this stage justify further investment *in the company, he added.* The capital of Computicket is A$900,000, but the major shareholders are believed to have advanced about A$700,000 more.

The British comedian, Warren Mitchell (Alf Garnett) said in Perth that he had clashed with Mr. Miller after people had been turned away from his Sydney show, although there were seats available.

He said that the ticket system was too complicated. "You don't need a computer to sell tickets: it was tried in England and the public reacted against it. There's enough problems getting bums on seats in theatres without all that," he said.

Contributors:
Rhys David,
Arthur Sandles,
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and James Forth.

Economic Diary

MONDAY — Labour Party — Trades Union Congress liaison committee meets, House of Commons. National Union of Mineworkers executive meets at *Euston Road,* London, to be followed by discussions on pay with the Prime Minister at Downing Street. Prime Minister *interviewed live on Panorama,* BBC 1. British Steel craftsmen meet on pay, British Steel Corporation, Grosvenor Place, London. Annual report of Electricity Consumers' Council. Public sector borrowing requirement and details of local authority borrowing (4th quarter). Mr. Gregor MacKenzie, Minister of State, Scottish Office, opens Clydebank Industrial Exhibition, 5, Pall Mall East, London, S.W.1.

TUESDAY — Mr. William Rodgers, Transport Secretary, tours Clyde Port Authority. *Prince Charles visits com*munity service volunteers, 237, Pentonville Road, London, N.1.

WEDNESDAY — TUC general council meets, Congress House, London. Meeting of Labour Party national executive committee, Transport House, London. British Overseas Trade Board annual report. Dr. David Owen, Foreign Secretary, at "Yes" referendum campaign rally, Edinburgh.

THURSDAY — Referendum polling day in Scotland and Wales. Knutsford and Clitheroe by-elections. British Railways *Board meets on pay claim.* Coal price increase by about 9 per cent. Energy Trends publication. Department of Employment Gazette will include unemployment (January—final), employment in the production industries (December), overtime and short-time working in the manufacturing industries (December) and stoppages of work due to industrial disputes (January).

FRIDAY — Scotland and Wales referendum result. UK official reserves (February). Capital issues and redemptions (during *February*). *National Institute of* Economic and Social Research quarterly review expected.

SATURDAY — Mrs. Margaret Thatcher, Opposition Leader, addresses Conservative Local Government conference, Caxton Hall, Westminster.

Neepsend down halfway but expects recovery

REFLECTING the continuing recession in the steel industry, taxable profits of Neepsend, steel and steel product manufacturer, fell from £656,000 to £396,000 during the six months ended September 30, 1978.

Mr. S. L. Speight, chairman, reports the completion of the purchase of a modern rolling mill at Rotherham, and the closure of seven hand-rolling mills is under way. He adds that the planned opening of a new melting department "should provide a better result from our steel division."

	Six months 1978 £000	1977 £000
External sales	11,455	10,620
Home	9,915	9,298
Export	1,540	1,322
Trading profit*	722	864
Invest. inc., plts.	6	21
Bank interest	332	229
Profit before tax	396	656
Taxation	195	321
Net profit	201	335
Add properties†	6	—
Making	207	335
Dividend	125	125
Retained	82	210

* Including share of assocs. † Investment grants, profits from sales of investments and properties.

All other activities of the group are progressing favourably, he says, and the directors are confident in achieving an improved result for the full year.

Pre-tax profits last year came to £1.03m.

The interim dividend is maintained at 0.92125p net per 25p share—last year's final payment was 2.30315p.

● comment

Following a two-fifths profits slump in the first six months, Neepsend clearly has something better up its sleeve for the second half. In a sense these figures represent a recovery from the depressed levels of the preceding period and the company now believes it is on target for significant growth in 1979-80. Steel activities continue to be flat with margins in some cases coming under further pressure from imports and the general lack of demand in the sector. Current investment in the new rolling mill should help reverse this trend. Meanwhile, the tools and engineering side continues to expand although some developments, notably at Rotabroach, have not been so speedy as hoped. Spending in these areas, together with an increase in stocks, has pushed up the interest charge. Assuming profits of £1.1m the shares at 42½p are on a prospective fully taxed p/e of 10.7, while the historic yield (only marginally covered) is 11.6 per cent. There must be some doubt about prospects for increasing the final dividend.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
F. Austin ...int.	0.18	April 17	0.16	—	0.61
Neepsend ...int.	0.92	May 11	0.92	—	3.22
New Sylhet Hldgs.	8.38	Mar. 30	6.6	8.38	6.6
Tor Inv. ...int.	2.345	Mar. 30	2.145	—	5.66
Ward Hldgs.	1.96	April 3	1.65	2.95	2.64

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Freddie Mansfield

Mr. John Austin, joint managing director of F. Austin (Leyton), photographed on the production line. The company is the country's largest manufacturer of specialised bedroom furniture.

F. Austin climbs to £0.3m at midway

AFTER the decline at the year end, taxable profits of F. Austin (Leyton) show a sharp rise in the first-half to December 31 1978. On turnover well ahead from £3.97m to £5.02m pre-tax profits came out at £301,800, against £163,200.

In his statement at the year end the chairman said the period had been a difficult one for furniture trading, but in the current year conditions had improved and he was looking forward to much improved results.

Taxable profits for the 12 months to June 30 1978 were down from £537,726 to £360,280.

Taxation for the half-year takes £162,000, against £89,000.

The interim dividend per 10p share is raised from 0.164p net to 0.183p. The total payment last year was 0.61035p.

However, the effect of the road haulage dispute, in which the group was not directly involved, and the bad weather has affected trading in the short term.

NORTHERN FOODS

The first quarter of the year proved very satisfactory, Mr. Nicholas Horsley, chairman of Northern Foods, told shareholders at the annual meeting. He added that the underlying trading and cash flow of the group continued to be good.

Giddings & Lewis rises to £1m

PRE-TAX profit of Giddings and Lewis Fraser, the U.S. controlled machine tool manufacturer, recovered in the second half and finished 1978 ahead from £810,000 to £1m. Turnover rose from £7.66m to £9.05m.

At the halfway stage profits had fallen to £356,506 (£425,522), but the directors expected that shipments made in the second half would be more profitable.

Pre-tax figure for the year was struck after depreciation £289,000 (£244,000) and interest £41,000 (£32,000), and was subject to tax of £472,000 compared with £423000.

UKP passing on benefits of property development success

BY ERIC SHORT

United Kingdom Provident, a leading mutual life company, is making a special bonus payment, as from March 1, on the longer-duration with profit policies which become claims, by maturity, death or vesting.

This bonus, called the Property Value Bonus, reflects the success of the company's property development programme, the benefit of which has not been fully reflected in past declarations.

The company reports that its property development programme has been successful and is now nearing completion. A number of properties have been fully let at yields higher than forecast and the independent valuation has shown that in every development the value exceeds the cost figure by a substantial margin. Hence it is paying this special bonus.

The current rates are on a sliding scale basis ranging from 5 per cent for policies taken out in 1954 or earlier to 1 per cent for those taken out in 1965—the rate being applied to the maturity value. Policies taken out in 1966 or later do not qualify. The bonus is in addition to the terminal bonus normally paid, therefore eligible policy maturing from March will receive the attaching reversionary the interim reversionary, the terminal and the special property bonuses.

This latest move from UKP represents a new departure in bonus declarations by life companies. The payment of special bonuses, though rare, does occur from time to time. But never before has it been specifically based on the investment performance of a particular part of the portfolio.

Property has now become a substantial part of UKP's life fund. Its balance sheet value on December 31, 1968 was £11.1m, by December 31, 1977 it was £72.2m and at the end of 1978 this figure should be substantially higher having regard to the projects in course of construction.

Dobson order level still good

IN THE first quarter of the current year profits at Dobson Park Industries were well up to expectation. Since then the industrial problems at home have made trading conditions more difficult, although, in general, order books remained at a good level, Mr. Jim Ward, chairman, told the annual meeting.

He stressed that it was too early to assess the effects of the country's economic troubles on future trading, particularly on export prospects.

Bright second half lifts Ward Hldgs. to £1.24m

A SECOND half profit of £913,000 against £361,000 lifted taxable profits of Ward Holdings from £324,000 to a record £1.24m for the year ended October 31 1978. Turnover expanded to £8.87m compared with a previous £5.94m.

At the interim stage the directors reported a turnround from a loss of £37,000 to £328,000 profits and said they were optimistic this trend would be maintained. They now say that the company has taken the opportunity of replenishing its land bank with high-quality developable land as close to London as can be achieved, and they are optimistic that this will be to the company's long-term advantage.

The plant hire subsidiary overheads have been cut back, general reorganisation has taken place and plant hire is expected to play a satisfactory part in its contribution to future group profit. Development of the industrial units for investment purposes is continuing they add, and 12 small warehouses and factory units are under construction.

The company's patented white seal spiral staircase operation is now contributing to group profit, and as this product becomes increasingly established nationally, the benefit will be reflected in group results, the directors state.

After tax, for the year, of £82,000 (£52,000) earnings are shown to be well up from 3.2p to 13.8p per 10p share. The dividend is stepped up to 2.948p (2.64p) net with a final payment of 1.958p.

Spencer Clark sees improvement

Aerospace sales have progressed at Spencer Clark Metal Industries in the first four months of the current year, says Mr. Norman Edge, chairman, in his annual review.

He adds, however, that this trend does not cover all products, but there has been a steady increase in efficiency in the more modern rolling mills at Rotherham Works.

Provided the demand for agricultural and commercial steels does not fall below its present level, the chairman believes: "we shall experience an accelerating profit improvement during the current year."

As already known taxable profits for the September 30, 1978, year fell from £303,739 to £157,239 on turnover of £8.23m (£4.71m).

Mr. Edge says the rationalisation and integration following the purchase of the Rotherham Works affected profitability, in a year when trading conditions "were markedly poor."

The increased turnover for the year includes some £2m from just over 10 months sales of products taken over with Rotherham, he adds.

Capital expenditure contracted for amounted to £87,186 (£15,96 at the year end. The balance sheet shows fixed assets at £1.94m (£918,551) and net current assets at £1.64m (same). Net liquid funds decreased by £1,021 (£148,584 increase).

Menteith Investment Trust holds 16.42 per cent of the capital and Stainborough Securities 8.31 per cent.

Meeting, Rotherham, March 21, at 11 am.

The net final dividend is lifted from 2.2p to 2.6p, making 3.6p (3.2p). Net asset value, with full dollar premium, is shown higher at 224.09p against 197.57p.

After transfer to contingency reserve of £5,918 (£6,806), available earnings came out at £216,000 (£192,000).

Anglo-Intnl. Inv. up to £345,380

Earnings of Anglo-International Investment Trust increased from £315,289 to £345,380 in 1978, before tax of £123,462 against £116,483.

Meldrum advances £79,000

After all charges including tax of £250,511 against £213,799, net revenue of Meldrum Investment Trust rose from £387,500 to £467,349 for 1978. Stated earnings per 25p share are up from 1.92p to 2.32p, and net asset value per share is 60.7p (57.7p).

The final dividend of 1.35p net raises the total from 1.85p to 2.1p. Total assets at market value are shown up from £11.63m to £13.24m.

Wearra off to good start

AT THE meeting of Wearra Group, the footwear manufacturer and retailer, it was confirmed that the company had made a very good start to the current year. Also given was a warning that prices might rise "quite sharply" later this year.

Mr. A. J. Harris, chairman, said the shops had an extremely good autumn and pre-Christmas season, and in January (always a somewhat unpredictable month) retail sales substantially exceeded budget.

That favourable experience had made the company more determined to expand retail operations, and an intensive effort was currently being made for suitable opportunities.

On the manufacturing and distributing side, the company managed to maintain normal deliveries during the transport strike.

Mr. Harris pointed out that, over the past few months, leather prices had been rising steadily in an unprecedented way. At the moment this indicated that shoes of the quality made by the group might increase in price quite sharply later this year.

UNIGATE

Unigate has purchased through the market, for cancellation, a further £258,400 nominal of the 6¼ per cent convertible unsecured loan stock 1992-97.

Results due next week

INSURANCE companies and banks provide the main items of interest on next week's Stock Exchange list. The first of the insurance composites—Commercial Union, General Accident and Royal—are due to report preliminary figures along with National Westminster Bank. Other finals are expected from IMI and Hoover, with an interim announcement from EMI.

Good performances from their U.S. business are expected to boost the 1978 results of the three major composite insurance groups, Commercial Union, General Accident and Royal, which report on Tuesday, Wednesday and Thursday respectively. All three groups should show an underwriting profit from the U.S. and this should offset the anticipated dull results in the UK, Europe and Australia.

The UK results, after a horrific first quarter because of bad weather, are expected to break even—a feature not anticipated at one time during 1978. The market expects CU to show a marginal underwriting loss and pre-tax profits in the range £135m to £144m. A small underwriting profit is looked for from GA, with its UK motor account recovering well, resulting in pre-tax profits of around £93m. Royal should show a substantial underwriting profit of £20m and pre-tax profits of £140m-£150m. The scope for dividend increases is limited and a 10 per cent rise from all three is expected.

In the wake of Barclays' better-than-expected results, analysts may well be upgrading their forecasts of NatWest's preliminary profits, due on Tuesday. The popular range is £248m-£281m which, even at the top end, does not suggest a big improvement on the £228m recorded in 1977. The most important contribution, of course, will come from the UK side and although rising interest rates have been favourable here this is not expected to show much growth. Overseas, the climate has become more competitive but an increase of around a tenth is thought possible despite slightly lower profits at the interim stage. The most interesting international development is the proposed purchase of 75 per cent of the National Bank of North America, but this acquisition has still to be fully approved by the U.S. authorities.

Zip fasteners appear to have been IMI's undoing in 1978. In 1977 the zip business (conducted through subsidiaries and associates) probably contributed around £8m to the group total of £34.2m. A deterioration in demand for zips throughout Western Europe was evident in the first half and, despite cost cutting exercises, the best most city analysts anticipate is for the zip business to break even for the year as a whole. But the rest of IMI's operations appear to be going well. Building materials (mainly copper tubing for central heating), fluid power activities and heat exchanges, particularly seem to have benefited from reasonably buoyant market conditions. As a result estimates of next Tuesday's preliminary result range around £32m.

While most analysts would agree that EMI will make a partial recovery this year, this will only become evident in the second half when the benefits of the cost reduction programme in the medical electronics division start to filter through. In the meantime, they expect first half profits, which are expected on Thursday, to be similar to the previous comparable period's £19.37m pre-tax. Higher interest charges plus increased losses from medical electronics (mainly due to higher research and development expenses and the costs of the closure of a U.S. manufacturing facility) are expected to offset a higher contribution from the music side, leisure and TV.

Hoover, which turned in lacklustre results for the first nine months of 1978, has apparently been doing some what better in the seasonably favourable fourth quarter. The big jump in consumer spending is the apparent reason although the company has been losing market share in products such as washing machines and vacuum cleaners, mainly due to competition from cheaper imports. However, based on the November price rise of 5 per cent—the first since 1977—some analysts are hopeful that full-year results, due out on Thursday, will reflect a maintained fourth quarter, giving about £8.6m (£13m) pre-tax before exchange rate adjustments. Generally, however, the range is between £7.5m and £8.5m. They are also hoping that the dividend payment—the main prop to the share price—can at least be maintained.

Other results to note are first quarter profits from BOC International, nine-month results from Johnson Matthey and finals from Grindlays Holdings and Rentokil.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Allen Harvey and Ross	Thursday	15.358	15.358	10
Alliance Trust Company	Thursday	2.2	4.9	2.8
Associated Fisheries	Thursday	1.2	1.8	Nil
Barnagore Jute Factory	Wednesday	Nil	Nil	Nil
Charles Baynes	Monday	1.25	2.1	0.3
T. F. and J. H. Braime (Holdings)	Tuesday	1	2.3275	1
Commercial Union Assurance	Tuesday	2.564	5.158	2.863
First Scottish American Trust	Tuesday	1.0	1.85	1
Grindlays Holdings	Tuesday	1.51515	2.81194	1.48254
Hongkong and Shanghai Banking Corp.	Tuesday	0.18	0.47	0.20(a)
Hoover	Thursday	5.61	8.21	5.21
IMI	Tuesday	1.5	1.82141	1.675
"Investing in Success" Equities	Tuesday	0.792	2.112	0.8045
Metalrax (Hldgs.)	Tuesday	0.44	[illegible]	0.45
Mount Charlotte Investments	Tuesday	Nil	0.4949	Nil
National Westminster Bank	Tuesday	5.165	6.32279	5.682
George Oliver (Footwear)	Friday	0.58	1.29	0.64
Ransomes, Sims and Jefferies	Monday	2.5	6.128	3
Ratcliffs (Great Bridge)	Thursday	0.65	1.3289	0.75
Rea Brothers	Friday	0.726	0.9278	0.725
Rentokil Group	Thursday	0.63	0.881	0.72
Rotaflex (Great Britain)	Monday	0.4723	1.1275	0.5195
Royal Insurance	Thursday	6.512	10.087	7.272
Woodhouse and Rixon (Holdings)	Tuesday	1.15903	1.16903	1.15903
INTERIM DIVIDENDS				
Australian and International Trust	Wednesday	1	2	
Bogod-Pelepah	Friday	0.3	0.7	
Challenge Corporation	Wednesday	0.05	0.075(b)	
Diploma	Thursday	1.2452	2.8056	
EMI	Thursday	3.41	5.97	
English Assoc. of American Bond and shareholders	Monday	4.875	14	
George Ewer	Wednesday	Nil	1.4	
Helene of London	Monday	Nil	0.6707	
Raine Engineering	Wednesday	0.288	0.5852	
Thomas Walker	Thursday	0.639	0.1675	

(a) Figures quoted are Hong Kong dollars. (b) Figures in New Zealand dollars.

BIDS AND DEALS

Moss quickly rejects GEI increased terms

GEI International has lifted its bid for Moss Engineering by 13 per cent and added a cash alternative, but it has still not won support from the board of Moss.

Mr. Thomas Kenny, chairman of GEI, yesterday announced the new terms as 56 shares in GEI plus £40 nominal of a new 12½ per cent convertible loan stock for every 100 shares. This is equivalent to 89.3p per share and values Moss at £4.1m, compared with £3.6m for the earlier offer.

The convertible stock carries instant conversion rights so Moss shareholders can opt for a direct equity stake in GEI.

Alternatively, GEI's advisers, Samuel Montagu, have agreed to underwrite the entire issue of shares involved (2.6m) in cash. If Moss shareholders decide to accept the cash alternative they will receive 87p per share.

After a 4½p rise in the market yesterday Moss's shares equalled the share offer, 89½p.

Moss and its advisers, Charterhouse Japhet, immediately rejected the bid as "still not reflecting the true value of Moss."

To which Mr. Kenny replied that the Board could not even have had time to consider the document.

GEI also warned shareholders that although the acquisition of Moss is "desirable" it is not "significant" to GEI. And the company does not intend to overpay for Moss. This statement is short of a definite refusal to increase the offer.

The main point raised in the new offer document is GEI's belief that Moss's increased dividend is not covered by earnings, on the basis of GEI's accounting policies. It doubts if Moss can continue paying dividends at that level.

Mr. Kenny explained that in buying Moss, GEI would be taking on both "profit and management problems" but long term he was confident that sewage treatment and pollution control was a growth industry.

SUITS PURCHASE

The capital of Cruisair International Travels, the Scottish-based travel and tour operator, has been acquired by Scottish and Universal Newspapers, a subsidiary of Scottish and Universal Investments, for £75,000 cash.

Additional consideration may be payable over the next three years, dependent upon the profit performance of Cruisair during these three years.

Bond Worth subsidiary sold for £4.8m

The joint Receivers and Managers of Bond Worth Holdings announce with effect from yesterday they have sold the business and undertaking of Carpets of Worth.

This is the principal trading subsidiary of the group, and the contract price for the assets sold is some £4.8m.

The purchaser is an English company, owned by overseas investors. It is anticipated that a further announcement will be made by the purchasers over the week-end.

Hampton Areas and CML in royalties/cash deal

THERE IS to be no take-over bid for Hampton Gold Mining Areas despite the hopes raised early this year by the news that Australia's Colonial Mutual Life Assurance Society had acquired some 26 per cent of the former's capital at a price of 150p per share. Instead, Hampton Areas announces that it has reached agreement in principle on a deal whereby CML will acquire, as from June 30 next, the mineral royalties which Hampton Areas receives on part of the production of Western Mining's Kambalda nickel mine in Western Australia. Hampton Areas' other interests are unaffected.

In return, CML's holding of 1.36m shares in Hampton Areas is to be cancelled and CML is to make a cash payment to Hampton Areas which will be worth, after adjustments, some £2.5m. The latter figure is equal to 65p per Hampton Areas share after allowing for the cancellation of the CML holding.

The tenor of the company's announcement does not suggest that there is any intention to distribute to shareholders all the CML cash, but it does infer that there will be a distribution of a portion of the money.

It should also be borne in mind that the loss of the Western Mining income will be offset to a large extent in Hampton Areas' earnings per share by the fact that there will be 26 per cent less shares in issue.

Meanwhile, the necessary Court Scheme of arrangement is being prepared, which will include proposals as to the disposition of the cash consideration, and formal proposals are expected to be sent to shareholders within the next few weeks.

In yesterday's resumed dealings, Hampton Areas shares closed as 167p compared with the pre-suspension price of 152p on January 29.

UNICORN INDS. ACQUISITIONS

Unicorn Industries has exercised its option to buy from Atlas Copco Group, the Swedish rock drilling and compressed air equipment manufacturer, the remaining 50 per cent holdings that it does not own in the Swedish and UK Atlas Copco Craelius companies, for SKr 15m (£1.71m) and SKr 4m (£457,000) respectively.

This brings the total cost of the full takeovers of these companies to SKr 28m (£3.2m). In 1978 the Craelius group's turnover was SKr 94m (£10.7m) and its taxable profit SKr 7.05m (£805,000).

Atlas Copco has agreed to continue the existing interest free loans to Craelius group companies. These now stand at SKr 14m (£1.6m) and will be repaid in two equal instalments at the end of 1979 and 1980.

Unicorn, which makes grinding wheels, abrasives, and diamond drilling equipment etc., negotiated the option for the takeovers, to be exercised before September 30, next year, when it acquired the first 50 per cent stakes in May 1978.

The Craelius companies manufacture diamond drilling machinery, core barrels and core bits for exploration mining and construction industries, and therefore complement the new parent company's activities.

Johnson-Richards merger plan may face further opposition

THE group of shareholders controlling a 23.4 per cent stake in H. and R. Johnson-Richards Tiles which opposes the group's proposed merger with Armitage Shanks say that a further 10 per cent family stake in the business could also come out in opposition.

However, the situation is complicated because a significant part of this block of shares is controlled by trustees—some of whom are either Johnson-Richards board members, or employees.

London Brick with a near 10 per cent holding in Johnson-Richards have joined family shareholders controlling just over a 13 per cent stake in opposing the Armitage Shanks merger. The family and London Brick have said they intend to accept a rival bid for the tile concern from Norcros.

A spokesman for the family interests said yesterday that the individuals controlling the outstanding 10 per cent family stake had not yet commited the shares in support of either proposal.

M & G BUYS MORE GUTHRIE

The M and G Group has not been worried by Sime Darby's reluctance to raise its offer for Guthrie Corporation.

Two of the M and G managed funds, M and G Magnum and Equities Investment Trust for Charities, have bought 50,000 shares in Guthrie at 437p, which is 12p per share more than the cash offer for the shares made by Sime.

Sime has extended this offer unchanged until March 2 despite receiving only 1½ per cent acceptances from independent shareholders.

Funds managed or advised by M and G now own 3,276,487 shares (11.4 per cent).

HANSON IRISH DEAL OFF

Plans announced last December for Hanson Trust to buy the distribution business of Massey Ferguson in the Republic of Ireland have fallen through.

Various points which the two sides thought could be agreed were not in the end settled, said a spokesman for Hanson yesterday. The mooted price of the deal had been £1.3m.

HARTLE SALES IMMINENT

Shares of Hartle Machinery, the troubled engineering and machine tools group, were suspended yesterday pending an announcement about the possible sale of some of its assets.

The Board said that discussions were at an advanced stage which may lead to the sale of certain of its major UK manufacturing interests. A further announcement was expected soon.

Hartle has made no announcement about profits since April 14 last year when it reported on the half-year to December 31, 1977. In that period it made a pre-tax profit of £30,600 on turnover of £4.6m, turning into a loss of £80,000 after extraordinary items. The balance sheet of June 30, 1977 showed loans and overdraft totalling £3.3m compared to net assets of £2m.

SALE TILNEY

For a consideration of £440,692, Sale Tilney has completed the acquisition of 36.3 per cent of the capital of Culrose Foods.

The consideration was satisfied as to £326,928 cash, £97,802 by the transfer of certain fixed assets from George and John Nickson (a wholly-owned subsidiary of ST) to Culrose, and £15,962 by the allotment of 11,008 ST ordinary shares.

GEC/DICK

A. B. Dick Company announces the signing of a definitive agreement for its acquisition by General Electric of the UK.

Dick stockholders receive $16.50 a share for the common and $100 for each of the preferred. The agreement is subject to approval by Dick stockholders on April 9.

HENRY LONG

The Henry Long Group, the Bradford transportation and warehousing subsidiary of Ocean Transport and Trading, has taken on the franchise for the sale of Renault trucks and buses in West Yorkshire.

Called Ocean Truck Services, the new service is to be initially operated from Henry Long's six acre site on Northside Road, Bradford.

RESULTS AND ACCOUNTS IN BRIEF

ANGLO CONTINENTAL INVESTMENT AND FINANCE COMPANY—Pre-tax profit for six months to December 31, 1978, £624,000 (£703,000) after associate companies' profits £471,000 (£464,000) and expenses £1,484,000 (£1,399,000). Tax credit £78,000 (charge £246,000). Attributable profit £764,000 (£392,000) after minority credit £62,000 (debit £65,000). Earnings per 25p share 2.21p (1.13p).

BLUEMEL BROS. (plastic components maker)—Results for year to September 30, 1978, reported December 23. Group fixed assets £1.2m (£1.07m), net current assets £988,425 (£915,074). Year-end bank overdraft £622,539 (£308,929). Chairman forecasts some recovery in net profits in curent year. Meeting, Wolston, Coventry on March 16, at 11.30 am.

BRUNNER INVESTMENT TRUST—Results for November 30, 1978, year reported December 28. Investments at valuation: Quoted UK £16.9m (£15.88), overseas £5.93m (£5.1m), unquoted UK £0.25m (£0.2m), overseas £0.64m (£0.37m). Net current liabilities £1.68m (£0.68m). At year-end, U.S.$2.81m ($1.99m) of $3m overdraft facility with Kleinwort, Benson was being utilised. Liquidity decreased by £1.13m (£0.57m). Meeting, 23, Fenchurch Street, EC, March 16, 12.45 pm.

CELTIC HAVEN (marine engineering)—Turnover £825,378 (£1,099,388) for six months to September 30, 1978. Pre-tax loss £3,231 (profit £8,915). Tax nil £4,635). Board expects pre-tax profits for full year to be about same as last year's £96,000. Expanding activities in West Wales confirm Board's reasonably optimistic view for the future. During the period the underlying assets have increased in value due to an improvement in values of agricultural land. The liquidity of the company has been improved generally and also by the sale of land surplus to requirements.

DERBY TRUST—Results for 1978 already known. Investments £14.28m (£12.76m), unrealised appreciation £4.26m (£4.46m). Net current assets £293,711 (£846,847). Meeting, Portman Hotel, W., on March 19, at noon.

DURA MILL—Trading profit £6,695 (£9,665) six months to September 30, 1978. Deduct depreciation £1,046 (£1,067) and interest £2,498 (£611). Pre-tax profit £3,163 (£7,997). Tax £1,640 (£4,150).

ENGLISH AND SCOTTISH INVESTORS—Second interim on ordinary—in lieu of final—2.05p net making 2.65p (2.45p) year to January 31, 1979. Revenue £559,561 (£511,152) after tax of £313,206 (£295,095), earnings per share 2.68p (2.45p), net asset value per share 98.8p (85.4p). Gross revenue was £1,319,684 (£1,335,727). Free scrip on "B" shares in proportion of 2.5926 new "B" shares for every 100 held.

FLAG INVESTMENT COMPANY (holding company Général Occidentale)—Pre-tax profit £210,035 (£98,132) for six months to December 31, 1978. Tax £102,574 (£49,989). Earnings per 25p share 1.16p (0.5p). Interim 1.0p (0.5p). Net asset value 82.19p (73.78p).

FLEDGELING INVESTMENTS—For year ended January 21, 1979. Gross income £318,645 (£296,361). Available for dividend £172,937 (£166,842) after tax £98,238 (£88,296). Dividend 2.054p (1.84p). Net asset value per share 89p (74p).

GLASGOW STOCKHOLDERS TRUST—Results for 1978 reported February 10. Investments £16.93m (£16.45m). Net current assets £307,031 (£478,971). Decrease in liquidity £127,540 (£139,190 increase). Chairman says it is probable that gross income will continue buoyant but earnings might be adversely affected by higher loan interest charges unless some action is taken. Board decided at end of 1978 to make $500,000 reduction in overseas borrowing which should keep interest charge much the same whatever interest rates do. Meeting, Glasgow, on March 16 at noon.

GREENBANK TRUST — For 1978 revenue, after providing for all expenses and tax £33,120 (£27,636); tax charged £16,030 (£15,060). Net dividend 3.6p (3.1p) costing £28,800 (£24,800). Earnings per 25p share 4.14p (3.45p) and net asset value 89½p (82¼p).

GREENFRAIR INVESTMENT COMPANY—Results reported on January 24. Net current assets £679,871 (£378,026). Investments £6.3m (£5.29m). Increase in liquidity £273,000 (£81,000 decrease). Chairman says high dividend income was increasingly absorbed by rising interest charges on borrowings, and this situation has continued. Meeting, 11 Austin Friars, EC, March 15, 2.45 pm.

LANCASHIRE AND LONDON INVESTMENT TRUST—Net dividend 2p (1.8p) for 1978. Income £128,409 (£118,905) before £44,817 (£42,874) tax. Net asset value 58.4p per 25p share.

MACKINNON OF SCOTLAND (knitwear manufacturer)—Results for year ended October 31, 1978, already known. Fixed assets £767,601 (£783,239). Net current assets £1,438,447 (£703,930). Total increase in working capital £744,745 (£330,399). Chairman satisfied with forward order position but does not expect any great upturn in exports. Increase in trading in 1978-79 budgeted for, to be derived from home trade. Meeting, Coatbridge, March 14, at 11 am.

MIDLAND IUDUSTRIES (engineering and ironfounding)—Results for year to September 30, 1978, already known. Group fixed assets, net of hire purchase liabilities, £7.04m (£5.37m). Net current assets £2.15m (£0.82m). Year end working capital up £1.19m (down £0.43m). Meeting, Wolverhampton, on March 14 at noon.

PLASTIC CONSTRUCTIONS—Results for September 30, 1978, year with chairman's observations on prospects reported February 8. Group fixed assets £548,990 (£515,622), net current assets £1,808,386 (£1,654,085). Meeting, Great Eastern Hotel, EC, March 2, noon.

SCOTTISH EASTERN INVESTMENT TRUST—Gross revenue £5,085,823 (£4,442,099) year to January 31, 1979, final 2.30p making 4.80p (4.05p). Stated earnings per 25p share 5.11p (4.27p). NAV 180p (153p) at January 31, proposed scrip issue of one-for-one.

TEMPLE BAR INVESTMENT TRUST—Gross revenue £2.7m (£2.49m) for 1978. Earnings £1.65m (£1.4m) after tax £901,110 (£811,089). Deduct extraordinary items £28,225 (£75,889). Additions to reserves £63,728 (£113,183). Final net dividend 4p (1.73p adjusted) making 5.5p (4.75p adjusted). Earnings per 25p share 5.684p (4.922p). Net asset value 122½p (120¼p).

TRANSATLANTIC AND GENERAL SECURITIES CO.—Final distribution on Marlborough Fund income units for period February 21, 1978, to February 19, 1979, will be 0.729p net per unit (0.518p) payable April 4, 1979. Total distribution 1.23p (1.1p).

M. WISEMAN AND CO. (ophthalmic optical instrument-maker and distributor)—Sales for half-year to September 30, 1978, £5.04m (£7.83m). Profit £436,000 (£448,000) before £95,000 (£215,000) tax. Company is controlled by UKO International.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

Olympia and York Developments, a privately-owned Canadian property concern, has launched a 50p cash per share bid, since upped to 54p, for **English Property Corporation** to counter the Dutch group Wereldhave's 46p offer. Olympia and York has been in discussion with EPC's board since the beginning of the month. EPC recommends the latest offer.

Arthur Guinness has made an agreed 200p per share cash bid for the outstanding 33 per cent of plastics group **White Child and Beney** it does not already own. The bid values the minority at £4.8m, exactly the same price as Guinness put on the whole company in 1977 when the last of three bids from Guinness was fiercely contested.

Glass and Metal Holdings, glass and steelwork contractors, has received an approach which could lead to a formal bid. Discussions are at a preliminary stage and a further announcement is expected in due course.

According to the chairman, Mr. Norman Clothier, loss-making whitewood furniture manufacturer **Liden Holdings** has attracted several bid approaches, three from private companies, with a view to buying the group or merging with it in order to acquire quoted status. A fourth wants to buy a Liden subsidiary at a price higher than the market quotation of Liden's shares. The attraction of the company to a potential bidder includes 11 acres of industrial property.

The Corn Exchange has announced termination of all talks which might have led to an offer for the capital of the company. Last November, the company held fruitless discussions with an unnamed party and intimated that talks with another potential bidder were in progress.

Elswick Hopper, the agricultural equipment distributors and property developers, has agreed to acquire grass mower manufacturer **Turner International (Engineering)** for an initial consideration of £0.9m, but the sum could rise to as much as £1.56m depending on Turner's profit performance in the year to September 30, 1978.

Proprietors of Hay's Wharf has acquired **Henry Rodger and Co.**, the holding company of Dextar Chemicals for £936,625. Dextar manufactures chemicals for use in industry and farming.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Alginate	385*	374	309††	21.01	Merck	27/2
Anglo-Swiss¶‖	54†	55	29††	1.40	Armstrong Eq.	—
Ash Spinning	110*	106	108	0.88	John Bright	—
Best & May	84§§	83	65††	1.89	Crown House	—
Caledonian Hldgs.	126§§	121	72	12.6	London & Midland Inds.	9/4
Chamberlain Grp.	65*§	62	45	7.97	Brown & Sharpe	—
Customagic	24*§	23	22	0.23	Mooloya	—
Dartmouth Invs.	25*	24	19½	3.23	Harsco Corp.	—
Dufay	50*§	45	[illegible]	3.90	Camrex	—
English Property	54*	51¼	51½	51.6	Olympia & York Dev.	—
English Property	46*	51½	36½	43.95	Wereldhave	23/2
G. R. Francis	68*	67	64	1.39	Central Manf. & Trading	—
Guthrie	425*	443	345	122.1	Sime Darby	2/3
Intereuropean Property	90*	86	57††	12.77	Assoc. Communications	—
Jackson-Bourne End	100*‡	123	76	0.44	Rossminster Holdings	—
Jhnsn.-Richards Tiles	150§§	125	109	32.8	Norcros	12/3
Moss Engineering	89	85	72	4.1	GEI Intl.	12/3
Wstinghse. Brake	95†	90	62	40.5	Hwkr. Siddly.	—
White Child & Beney	200*§	193	108	4.88	A. Guinness	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 22/2/79. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Based on 23/2/79. ‖‖ Unconditional.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Apex Props.	Sept.	253	(189)	0.5	(0.4)
P. Brotherhood	Sept.	133	(320)	1.84	(1.82)
Brown Bros. Cpn.	Dec.	1,720	(1,820)	0.53	(0.5)
Cableform	Sept.	171	(370)	1.65	(0.22)
Robert M. Douglas	Sept.	1,360	(1,450)	0.97	(0.88)
Eleco Holdings	Dec.	707	(487)	0.9	(0.75)
Daejan Holdings	Sept.	2,150	(1,030) 7.3	(3.9) 1.17	(1.16)
Fitzwilton	Dec.	686	(468)	1.8	(1.5)
Footwr. Industry	Nov.	460	(420)	1.54	(1.4)
Gripperrods	Oct.	465	(258)	1.22	(1.1)
Jentique	Dec.	293	(158)	1.02	(0.92)
R. & J. Pullman	Oct.	508§	(403)	2.02	(1.81)
Joseph Stocks	Sept.	294	(269)	1.0	(1.0)
Wedgwood	Dec.	6,280‡	(6,280)‡	—	(—)
Wiggins Const.	Sept.	161	(141)	0.83	(0.77)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † After tax. § Seven months. ‡ Nine months.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Adams & Gibbon	Nov.	558	(559)	14.8	(14.9)	4.63	(4.35)
Allied Insulators	Dec.	1,218	(1,396)	10.6	(14.0)	4.54	(4.13)
Aquis Secs.	Dec.	618	(419)	0.8	(0.9)	0.73	(0.67)
Arcolectric	Oct.	569	(324)	4.3	(2.4)	0.45	(0.41)
Barclays Bank	Dec.	373,300	(294,600)	105.3	(34.5)	13.46	(11.05)
Bath & Portland	Oct.	5,180	(4,850)	16.3	(17.5)	3.81	(3.3)
Berisfords	Nov.	1,153	(1,035)	26.8	(22.9)	2.86	(2.42)
Carrngtn. Viyella	Dec.	14,509	(16,062)	5.7	(8.1)	2.35	(2.1)
Christian-Salveson	Sept.	9,510	(6,180)	38.1	(27.0)	10.6	(8.8)
City Offices	Dec.	1,290	(1,120)			2.84	(1.72)
Crest Nicholson	Oct.	2,806	(1,815)	14.7	(11.5)	3.72	(3.36)
Drake & Scull	Oct.	2,530	(1,830)	10.2	(9.4)	2.0	(Nil)
Martin Ford	Dec.	1,327	(965)	4.0	(2.8)	2.26	(2.02)
Gillett Discount	Jan.	213†	(1,010)†			16.95	(15.2)
ICI	Dec.	421,000	(483,000)	53.6	(56.8)	18.47	(16.52)
Ernest Jones	Sept.	1,270	(811)	27.4	(15.2)	3.5	(—)
Kellock	Dec.	71	(62)	7.4	(5.6)	0.5	(Nil)
Marchwiel	Oct.	13,554	(13,385)	19.3	(24.5)	5.0	(1.7)
Newbold Burton	Dec.	699	(468)	12.3	(8.8)	3.48	(2.8)
Olives Paper	Dec.	325	(138)	9.9	(4.2)	2.69	(2.25)
Frederick Parker	Sept.	3,720	(5,210)	12.9	(25.3)	8.99	(8.18)
Taco	Sept.	558	(577)	6.7	(4.9)	1.5	(1.25)
Vantona	Dec.	7,311	(6,729)	19.4	(18.6)	5.75	(5.15)

Oil companies deny diverting UK supplies

BY SUE CAMERON

MAJOR oil companies yesterday strongly denied that they are diverting crude supplies from the UK to the lucrative Rotterdam spot market.

But Mr. Anthony Benn, the Energy Secretary, is inquiring into the activities of Conoco, the U.S.-based oil group, which is the focus for claims that oil destined for the UK is being diverted to Rotterdam. Mr. Benn began his investigation after being shown a copy of an internal Conoco memo which discusses the risks of redirecting oil.

Last night Conoco, along with Shell, British Petroleum and Esso, said that no UK oil supplies had been diverted to Rotterdam. All four companies emphasised that they had not made such plans and said that it would not be worthwhile because of the loss of goodwill.

The Conoco memo, written by Mr. Brian Harding, the company's economics and planning manager, argues that it would be damaging for the group to send crude supplies from its Humberside refinery to Rotterdam. But the document, sent anonymously to a Labour MP, says that with the shortage of oil caused by the halt of Iranian crude exports "the short term economics for switching every available tonne from inland to export markets is irrefutable."

The memo points out that the Government's statutory powers and "non-statutory arm-twisting influence" have grown considerably since the 1973-74 oil crisis. It adds that Conoco has "a lot to lose" from "future Government arm-twisting and statutory direction."

"However, the news gets back, and whether we are the only company doing it or not, the course we have embarked upon—of diverting inland sales to lucrative spot markets—will not be looked upon favourably in the UK," the memo says.

"At the moment we cannot even hide behind the umbrella of force majeure. If it hits the popular daily newspapers the headline will likely run: Quick buck American oil company helps fuel inflation.

"And if, as may well happen, the UK Government ultimately imposes quotas or export restrictions, then at best we may have got only a few cargoes into Rotterdam. But the damage will have been done. Is it worth the risk?"

Yesterday, Conoco said the document was merely expressing Mr. Harding's personal opinion and had not reflected company policy. Conoco had delivered more oil to the UK this year than in any previous year. The company said that oil from its Humberside refinery was exported to other parts of the Conoco group in the Republic of Ireland, West Germany, Belgium and Sweden but it emphasised that this was normal practice.

BP and Shell, which have had to cut their supplies to customers by 45 per cent and by between 5 and 7.5 per cent respectively because of the Iranian crisis, said it would be ridiculous to risk losing goodwill in the UK by selling crude on the Rotterdam spot market.

Court action on schools likely to continue

By Michael Dixon, Education Correspondent

PARENTS from Haringey are almost certain to continue their High Court action to reopen local schools, in spite of a change of tactics by National Union of Public Empoyees' strikers who have kept most of the outer London borough's schools shut for four weeks.

The local strike committee has evidently decided to change from a continuous strike to sporadic stoppages, but the parents last night seemed sure to go on with the case, which has been adjourned by Mr. Justice Goulding, pending judgment on Monday.

The action, brought on behalf of Haringey parents and ratepayers by Dr. Tom Mead, seeks an order requiring the local education authority to fulfill its duty under Section 8 of the Education Act by making schooling available in its area.

The action is against the local authority, but the parents are effectively challenging the discretion of Mrs. Shirley Williams, Secretary for Education and Science.

Mrs. Williams, presumably on legal advice, has refrained from raising the question of duties under Section 8 of the Act when calling for schools to be reopened in the eight local authority areas where education has been worst affected by the NUPE dispute.

The other seven badly hit areas are the London boroughs of Barking and Newham, and Durham, Gateshead, Newcastle upon Tyne, North Tyneside, and Sunderland.

APPOINTMENTS

M. Pennell on Cadbury Schweppes Board

Mr. Montague M. Pennell, deputy chairman and managing director of British Petroleum Company, has been appointed a non-executive director of the main Board of CADBURY SCHWEPPES.

★

Mr. Peter J. Gwilliam and **Mr. Kenneth W. Cunningham** have been appointed executive directors of CONTINENTAL ILLINOIS LIMITED, the merchant banking subsidiary of Continental Illinois Corporation, Chicago.

★

Mr. Michael J. Heath has been appointed director in charge of the oil inks division of LORILLEUX AND BOLTON.

★

Mr. Michael Berman has been appointed an executive director of SAMUEL PROPERTIES.

★

Mr. E. W. Burton has joined MOLINS as a special director with responsibilities as group financial director. He was previously with GEC Elliott as finance director.

★

Mr. G. Cave and **Mr. J. D. W. Birts** have been appointed deputy chairmen of BAIN DAWES AND PARTNERS. **Mr. R. W. Newman** becomes managing director.

★

Mr. Terry Amos, previously technical director, has been appointed to the Board of WILLETT, a member of the UK building division of the Trafalgar House Group.

★

Mr. W. J. Wilson has been appointed chairman and managing director of PFIZER in the UK from April 1 in succession to Mr. Frank Goulding, who will be retiring. Mr. Wilson is a member of the Pharmaceutical Society and joined Pfizer as a representative in 1954. Since 1974, Mr. Wilson has been the company's country manager in Spain.

★

Mr. Peter Smith has been appointed to the newly-created post of assistant managing director (commercial) of JOHN LAING RESEARCH AND DEVELOPMENT. Mr. Smith joined R&D from the British Steel Corporation.

★

The LLOYD'S INSURANCE BROKERS' COMMITTEE of the British Insurance Brokers' Association is as follows: **Mr. J. G. Alston** (Leslie and Godwin) as chairman and **Mr. R. V. Wood** (Lowndes Lambert Group) and **Mr. D. G. Lyon** (Jardine Matheson Insurance Brokers) as deputy chairmen. **Mr. J. G. Hogg** (Hogg Robinson and Gardner Mountain), **Mr. B. H. Jenkinson** (C. T. Bowring and Co. (Reinsurance)), **Mr. C. F. Frizzell** (Norman Frizzell UK) and **Mr. H. R. L. Lumley** (Edward Lumley and Sons) have been made chairmen of the aviation, marine, motor, and non-marine executive committees respectively.

★

Mr. Michael J. Hermann has been appointed managing director of MEASURING AND PROCESS CONTROL in succession to **Mr. Victor Serry**. **Mr. Tom E. Fitzpatrick**, chief engineer, has been made a director with responsibility for engineering and manufacturing. Mr. Serry continues as a non-executive director.

★

Mr. Robert H. Sykes, director of corporate relations and advertising for ITT EUROPE INC. in Brussels, has been elected a vice-president.

★

Mr. Bryan E. Ledder has been appointed to the Board of CARRINGTON VIYELLA from March 1. At the same time Mr. Peter R. Fowkes will become managing director of knitting division.

★

Mr. Harold Percival, at present sales and marketing director of Alliance Smurfit Cases, has been appointed a director of SMURFIT LIMITED, the UK holding company of the Jefferson Smurfit Group.

★

Mr. J. A. E. Bassett has been appointed a director of C. E. HEATH AND CO. (AVIATION) and C. E. Heath and Co. (Aviation Reinsurance Broking). **Mr. J. Elliott** has become an assistant director of C. E. Heath and Co. (North America).

★

Mr. Campbell Nelson has joined the board of offshore shipbrokers, KENNEDY MARR, an associate company of Scottish Offshore Investors, of which Mr. Nelson is chairman.

★

BANRO CONSOLIDATED INDUSTRIES is strengthening the Board of three of its subsidiary companies. **Mr. Terry R. Newman** is appointed sales director of William Bate, Hospital Street, Walsall, and **Mr. Denis G. Blagden** is appointed technical director. **Mr. Arthur C. Louis** is appointed works director of Edward Rose (Birmingham), and **Mr. Neil W. Owen** is appointed works director of Edward Rose (Telford).

★

Mr. Frank Huff, economic evaluation and pricing manager for Dow Chemical Europe, has been appointed business manager for OLEFIN AND STYRENE PLASTICS. **Mr. Gilbert Roux**, succeeds Mr. Huff in addition to his responsibilities as European product flow manager.

★

Mr. D. Boadella has been appointed director of the northern region of MACREADYS GLYNWED STEEL STOCKHOLDING. was previously director of marketing services.

WORLD STOCK MARKETS

Wall St. sheds another 5.29

INVESTMENT DOLLAR PREMIUM

\$2.60 to £1—92% (89½%)
Effective \$2.0120 48½% (46½%)

FURTHER LOSSES were recorded in light trading on Wall Street yesterday, when operators were reluctant to open fresh commitments owing to the fighting in the Far East.

The Dow Jones Industrial Average further declined 5.29 to 823.28, making a net loss of 3.73 on the holiday-shortened week. The NYSE All Common Index, at \$54.88, shed 32 cents on the day and 49 cents on the week, while losses outpaced gains by a two-to-one majority. Trading volume decreased 3.45m shares to 22.84m.

Much of today's weakness was cautionary selling ahead of the weekend as investors nervously followed events in the Far East.

There were unconfirmed reports the Chinese were bombing Haiphong Harbour to prevent Soviet ships from supplying the Vietnamese.

Worries about rising prices also prompted selling. But a Labor Department report that January U.S. Consumer Prices rose 0.9 per cent, or at a double digit annual price, was no worse than expected and slightly better than some Wall Street estimates.

Polaroid dropped \$6½ to \$43¼ on more than one million shares—besides reporting disappointing earnings, it expects costs of its instant movie system, Polavision, will limit profit gains in 1979.

Eastman Kodak slipped \$¾ to \$61½, despite its 47 per cent jump in December-quarter profits and a raised quarterly dividend.

Fotomat fell \$1¾ to \$11¼—it will report a drop in its January 31 year net earnings.

Motors were weak—industry sales for February 11-20 dropped 1.2 per cent. General Motors, whose sales dropped 2.2 per cent, shed \$½ to \$53⅞ and Chrysler, which announced price cuts to stimulate sales, lost \$⅜ to \$9⅝.

Xerox eased \$½ to \$56⅞—it signed a final pact to acquire WUI for stock. WUI picked up \$⅞ to \$34¼.

McGraw-Hill dropped \$2½ to \$26¾.

THE SE Market Value Index lost 0.62 to 162.55, making a net loss of 0.60 on the week.

CANADA — Markets closed generally lower in active trading yesterday, when the Toronto Composite Index shed 3.9 to 1392.8.

The Metals and Minerals Index dipped 10.4 to 1271.4, Oil and Gas 11.4 to 1974.3 and Utilities 0.56 to 203.05. But Golds rose 1.4 to 1616.8, Papers put on 0.48 to 159.82 and Banks firmed 0.18 to 312.11.

TOKYO — Lower in limited trading. Volume 210m (190m shares).

Market did not react to reports that Iran might resume exports of oil, and Export-Orientated issues and Oils fell, followed by Textiles, Pharmaceuticals and Machines.

Some Chemicals and non-Ferrous Metals higher.

PARIS—Steady with movements narrow in fairly active trading. Market helped by news Iran may resume oil exports in a matter of days.

Motors, Steels, Oils and Chemicals narrowly mixed.

Golds weaker, Coppers steady.

GERMANY — Firmer amid signs foreign political strains are easing.

Motors easier, Engineerings slightly lower.

Public Authority Bonds mixed. Regulating Authorities sold net DM 6.5m of stock. Among Mark Foreign Loans, Industrial Mining and Development Bank of Japan (1977) 7¾ per cent gained DM 2.50 to 91.25.

SWITZERLAND—Prices eased again on reduced volume as weakness in Bond Market depressed stocks.

Foreign as well as Domestic Bonds weak on apprehension over reduced excess liquidity in Capital Market following Australia's latest Swiss franc package deal.

Petrol price increases added to fears of inflation and interest rate increases.

Dollar stocks traded around overnight New York levels, Dutch and German steady.

AUSTRALIA — Gains by selected Banks, and Gold stocks provided main interest in quiet firm trading.

CBA rose 9 cents to \$A2.67 on a 39 per cent lift in interim profits plus a higher dividend.

Retailers steady. Breweries mixed.

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Polaroid	1,196,000	43¼	−5⅞
Bally Mfg.	254,900	53⅜	−1⅞
Ramada Inns	244,900	10½	−½
Caesars World	235,700	33⅝	−1½
Revlon	209,600	48⅜	−⅞
Sears Roebuck	208,100	20⅞	—
Allegheny Air.	194,900	9⅝	+½
Ga-Pacific	191,700	28	−⅛
Am. Tel. & Tel.	185,300	61⅞	−½
Diamond Sham.	182,600	20⅝	−⅛

Indices

NEW YORK —DOW JONES

	Feb. 23	Feb. 22	Feb. 21	Feb. 20	Feb. 16	Feb. 15	1978-79 High	1978-79 Low	Since Compil'tn High	Since Compil'tn Low
◆ Industr'ls	823.28	828.57	834.55	834.65	827.01	829.09	907.74 (8/9)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	84.80	84.81	84.80	85.04	85.10	85.28	90.86 (4/1/78)	84.06 (16/1/79)	—	—
Transport.	211.18	211.82	212.50	213.18	211.77	212.02	261.48 (8/9)	199.31 (9/1/78)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	104.16	104.45	104.52	104.57	104.86	104.09	110.98 (3/1)	97.73 (20/12)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's	22,804	26,290	26,140	21,850	21,110	22,620	—	—	—	—

◆ Day's high 828.83 low 819.99

	Feb. 16	Feb. 9	Feb. 2	Year ago (approx)
Ind. div. yield %	5.91	5.95	5.83	6.13

STANDARD AND POORS

	Feb. 23	Feb. 22	Feb. 21	Feb. 20	Feb. 16	Feb. 15	1978-79 High	1978-79 Low	Since C'mpil't'n High	Since C'mpil't'n Low
‡Indust'ls	108.86	109.64	110.51	110.00	110.00	110.06	118.71 (12/9)	95.52 (6/3)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	97.78	98.33	99.07	99.42	98.67	98.73	106.99 (12/9)	86.90 (6/3)	125.85 (11/1/73)	4.40 (1/6/32)

	Feb. 21	Feb. 14	Feb. 7	Year ago (approx.)
Ind. div. yield %	5.07	5.07	5.16	5.47
Ind. P/E Ratio	9.01	8.96	8.80	8.45
Long Gov. Bond Yield	9.01	8.98	8.96	8.27

N.Y.S.E. ALL COMMON

Feb. 23	Feb. 22	Feb. 21	Feb. 20	1978-79 High	1978-79 Low
54.88	55.20	55.58	55.74	60.38 (11/9)	48.37 (6/3)

Rises and Falls

	Feb. 23	Feb. 22	Feb. 21
Issues Traded	1,820	1,841	1,866
Rises	445	456	647
Falls	941	920	763
Unchanged	434	465	456
New Highs	—	13	35
New Lows	—	19	9

MONTREAL

	Feb. 23	Feb. 22	Feb. 21	Feb. 20	1978-79 High	1978-79 Low
Industrial	235.20	235.58	236.48	235.94	236.45 (21/2/79)	162.90 (16/2)
Combined	237.78	238.14	238.39	237.87	238.39 (21/2/79)	170.62 (30/1)
TORONTO Composite	1392.8	1396.7	1399.1	1394.4	1399.1 (21/2/79)	998.2 (30/1)
JOHANNESBURG Gold	286.6	288.5	294.7	285.5	290.7 (7/2/79)	185.0 (20/4)
Industrial	307.7	305.2	305.1	302.5	309.9 (15/2/79)	194.5 (15/3)

	Feb. 23	Pre-vious	1978-9 High	1978-9 Low
Australia(¶)	586.11	584.42	588.46 (6/2/79)	411.16 (1/3)
Belgium (‖)	105.22	105.79	105.23 (23/2/79)	90.46 (23/6)
Denmark(**)	93.93	94.06	96.96 (14/6)	88.03 (30/10)
France (††)	71.7	71.5	85.0 (4/10)	47.8 (3/3)
Germany(‡‡)	794.40	794.6	883.5 (19/10)	759.4 (17/6)
Holland (§§)	80.5	80.9	94.1 (11/8)	76.0 (4/4)
Hong Kong (¶¶)	506.68	515.96	707.70 (4/9)	323.4 (13/4)
Italy (‖‖)	75.64	74.56	82.26 (26/9)	56.46 (10/1)
Japan (a)	461.45	461.62	462.87 (31/1/79)	364.04 (4/1)
Singapore(b)	346.34	349.33	414.50 (8/9)	262.0 (9/1)

	Feb. 23	Pre-vious	1978-9 High	1978-9 Low
Spain (d)	99.18	99.16	100.27 (14/2/79)	93.03 (12/1/79)
Sweden (c)	373.78	377.91	405.00 (4/8)	323.74 (5/1)
Switzerld(f)	318.7	320.7	323.7 (14/2)	281.6 (26/9)

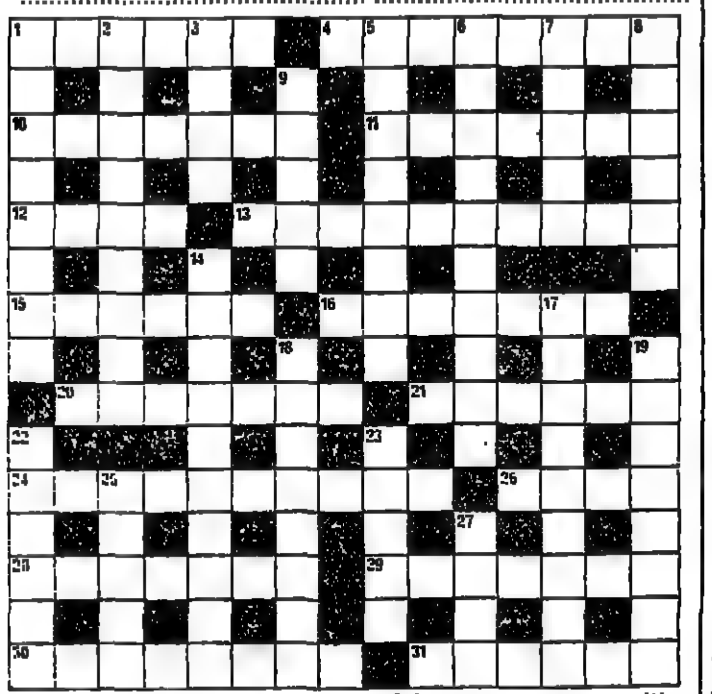
Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 30/12/77. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

F.T. CROSSWORD PUZZLE No. 3,906

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



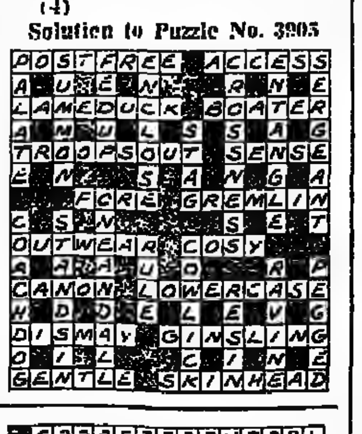
ACROSS

1 Cattle passage over water to city (6)
4 International rowing honour we hear could go to one's head (5, 3)
10 Union swindle? Sure thing (7)
11 Notice one aspect of literature becoming hostile (7)
12 Poetry for singing places (4)
13 Crowd in front made to continue with determination (5, 5)
15 Sound horn with repeated rings excessively (3-3)
16 He makes a monkey out of big eater (7)
20 Courtly action in one sense (7)
21 Small-time business record (6)
24 Printing process for counsel to hide (4, 6)
26 Appear to notice maiden (4)
28 Mere lad could possibly be just one stone (7)
29 Shut off short article at home (7)
30 His dream may be incorrectly received (8)
31 Good-looking company joins Frenchman by cathedral (6)

DOWN

1 Kiss large-size copper far into night (8)
2 Part of body that could be confused with humerus (5, 4)
3 Felt regret for primitive sound (4)
5 Sleeps with Bill with two kings outside bag (8)
6 Enjoy having business romance (4, 6)
7 Evil to which dogs point (5)
8 Argues that piano is in the van (6)
9 Sergeant major goes round the hill in a rage (5)
14 Penitence is in a bad way (5, 5)
17 Count makes Egyptian leader mathematically inclined (9)
18 Burglar in East-end gets more insolent (8)
19 Letting premium provide solution necessary (3, 5)
22 Value eastern encounters turning up (6)
23 Magistrates in good form (5)
25 City of sound conductors (5)
27 A right to leave Jason's ship (4)

Solution to Puzzle No. 3905



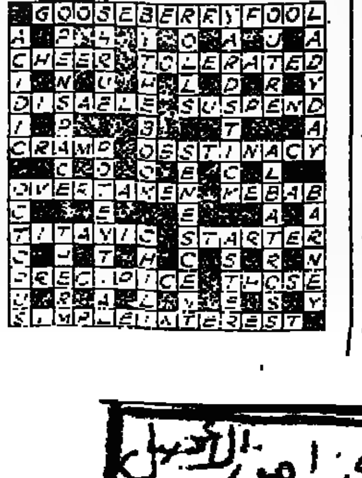
SOLUTION AND WINNERS OF PUZZLE No. 3,900

Following are winners of last Saturday's prize puzzle:

Mr. J. E. Abell, 9 Plantation Way, Station Road, Baildon, Shipley, West Yorkshire. BT 176JQ.

Mr. I. D. Collyer, 7 Rushdene Road, Pinner, Middlesex HA5 1SW.

Mr. S. G. Dibley, "Nhiasu," Bellhurst Road, Robertsbridge, E. Sussex TN32 5DW.



Mackerel fishing off west coast banned

BY RICHARD MOONEY

MACKEREL FISHING off the west coast of Britain is to be banned for three months of the present season in an attempt to halt the recent increase in UK mackerel catches.

Mr. John Silkin, Minister of Agriculture, said yesterday that no mackerel fishing would be allowed off the west coast of Scotland, in the Irish Sea and around the south-west coast of England between March 10 and June 2.

The intention is to stop the large-scale mackerel fishing undertaken by trawlers from Scottish and Humberside ports which have been driven out of their traditional distant water cod grounds in recent years.

Small local boats, mainly hand-liners, will be allowed to fish as usual.

Mr. Silkin is aiming to keep the British mackerel catch, which totalled 72,000 tonnes in the first six weeks of this year, below 125,000 tonnes in the first half of 1979. The Scottish August-October fishery is expected to yield about 75,000 tonnes and the south-western October-December season a further 115,000 tonnes. That would bring the total to 315,000 tonnes, about the same as last year.

The International Council for the Exploration of the Seas (ICES) has set the total allowable mackerel catch for 1979 in Britain's 200-mile coastal zone at 435,000 tonnes, of which the UK share, based on last year's performance, would be 72 per cent, or 315,000 tonnes.

The mackerel fishery has become increasingly important to the UK fishing industry since the loss of access to Icelandic waters after the last "cod war" and the reduction of other distant water fishing opportunities resulting from the general switch to 200-mile limits. In 1977 mackerel overtook cod as Britain's major fish catch and last year it was estimated to account for about 10 per cent, by value, of the UK's total fish landings.

A British Fishing Federation spokesman said yesterday that the temporary mackerel ban was "not unexpected." The federation regretted the further unemployment it might cause but recognised the Government's "genuine desire to preserve resources for the future," he added.

Print factory to close

THIRTY WORKERS at a U.S.-owned print machinery factory, Ludlow Industries (UK) Limited, at Dereham, Norfolk, will lose their jobs in April because the factory is closing down.

The introduction of new printing techniques, the decline in world trade, and the weakness of the dollar, which has forced up the company's prices have reduced orders. The employees have been told there are jobs at the Hartford factory.

Birmid group to dismiss 160

THE Birmid Qualcast group, in the West Midlands, is to make 160 workers redundant. The section hit is the motor cylinder plant at Smethwick, where there are four foundries employing 1,300 workers.

The plan, which will become effective at the end of May, is to close the west works and transfer all production to the east works. The firm blames the decision on fall in demand for cylinder blocks.

SPAIN ♥

February 23	Per cent	
Asland	126.50	− 0.50
Banco Bilbao	282	—
Banco Central	297	—
Banco Exterior	256	—
B. Granada (1,000)	134	—
Banco Hispano	242	—
Bo. I. Cat. (1,000)	158	—
Bco. I. Mediterraneo	183	—
Banco Madrid	210	—
B. Santander (250)	305	—
Bco. Urquijo (1,000)	254	− 2
Banco Vizcaya	230	—
Banco Zaragozano	226	− 2
Bankunion	147	+ 1
Dragados	192	− 1
Espanola Zinc	96	+ 1
Fecsa (1,000)	57.25	—
Gal. Preciados	50	+ 2
Gp. Velazquez (400)	165	—
Hidrola	66.25	—
Iberduero	66	+ 0.25
Petroliber	100	—
Petroleos	158	+ 0.50
Sniace	43	—
Sogefisa	125	—
Telefonica	69.75	+ 0.25
Union Elec.	67.50	− 1.50

BRAZIL

Feb. 23	Price Cruz	+ or −	Cruz Div.	Yld. %
Acesita	0.89	+0.04	0.12	13.48
Bancodo Brazil	1.47	−0.02	0.12	8.16
Banco Itau PN	1.35		0.37	27.40
Belgo Mi'eira OP	1.00		0.08	8.00
Lojas Amer O.P.	2.00	−0.01	0.20	10.0
Petrobras PP	1.69	+0.02	0.13	7.69
Pirelli OP	1.45		0.16	11.03
Souza Cruz OP	1.80	+0.04	0.21	11.66
Unip PE	5.30	+0.34	0.25	4.71
ValeRioDoce PP	1.12	−0.03	0.17	15.17

Turnover Cr. 166.9m. Volume 111.7m.
Source: Rio de Janeiro SE.

NOTES: Overseas prices exclude \$ premium. Belgian dividends are after withholding tax.

◆ DM50 denom. unless otherwise stated. ♥ Ptas. 500 denom. unless otherwise stated. ♣ Kr. 100 denom. unless otherwise stated. ψ Frs. 500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Num. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

NEW YORK

CANADA

GERMANY ◆

TOKYO ¶

Source Nikko Securities, Tokyo

MILAN

OSLO

AUSTRALIA

BRUSSELS/LUXEMBOURG

STOCKHOLM

PARIS

AMSTERDAM

SWITZERLAND

COPENHAGEN ♣

VIENNA

JOHANNESBURG

Financial Rand U.S.\$0.83½
(Discount of 41⅛%)

INTERNATIONAL COMPANIES and FINANCE

Hoboken warning of fraud costs

BRUSSELS—A fraud in the precious metals department of Metallurgie Hoboken Overpelt SA will cost the company several hundred million francs, M. Paul-Emile Corbiau, president of Hoboken, told the annual meeting.

But Hoboken will not have to close its 1977-78 financial year with a loss after its BFr 380m ($13m) net profit the previous year, nor will any special loss provision fund have to be set up for its current financial year.

The affair, involving a fraud by another company in its precious metals department, is being investigated by the police and every effort will be made by Hoboken to recover some of the lost money, M. Corbiau added.

M. Corbiau did not give a figure for Hoboken's net profits for its year ended last September 30, but the company has already announced an unchanged BFr 170 net dividend.

Last December, Hoboken discovered that the representative of a foreign group had fraudulently added a certain amount of precious metal to samples being tested for their precious metal content with the aid of someone inside Hoboken, M. Corbiau said.

This falsified the analysis of the orebody, leading Hoboken without realising it to pay out more than it should have done to the company in question.

Several arrests have been made and the affair is still being investigated.

Answering questions at the meeting, M. Corbiau said that Hoboken's activities in the first half of its current year to September will probably be slightly lower than in previous half-years due to problems caused by bad weather at the refineries.

Production costs will rise slightly, but higher prices for non-ferrous metals will have a favourable effect although this will not be fully felt until the second half of the year.

Sales in the first quarter of the current year, at BFr 14bn ($479.5m), rose slightly over the quarterly average for the previous year due mainly to the higher cobalt price, he added.

Reuter

Belgian bank increases dividend after profits rise

BRUSSELS—Societe Generale de Banque, the leading bank in Belgium, has announced a 12.3 per cent increase in profit for the 1978 financial year to BFr 1.79bn ($61.3m).

The bank also said the Board of directors would recommend a dividend increase to BFr 220 from BFr 204.

The bank will recommend this year a scrip issue of one share for 20 existing shares by capitalisation of reserves.

The balance-sheet total increased to BFr 748.1bn from BFr 652bn.

At end-1978, deposits, bonds and cash certificates rose to BFr 433.4bn from BFr 397.9bn the previous year, while bankers' credits rose to BFr 249bn from BFr 192.2bn.

Depreciation of BFr 2.64bn has been set aside against Bfr 2bn previously, while taxes were BFr 874m against BFr 770m.

The scrip issue will raise the bank's current issued capital of BFr 5.11bn by between BFr 250m and BFr 275m, depending on how many shareholders take advantage of the offer. The bank's shares carry no nominal value.

Agencies

Intercom rights issue

BRUSSELS — Societe Intercommunale Belge de Gaz et d'Electricite SA (Intercom) said it proposes to increase its issued capital to BFr 31.99bn ($1.1bn) from BFr 27.37bn through a one-for-six rights issue at a maximum price of BFr1,800.

Intercom said most of the new shares will be issued under the rights issue from May 18 to June 8 at BFr 1,345 per share plus a premium to be fixed later, bringing the total price to a maximum BFr 1,800 per share.

A small amount of shares will be offered to employees.

Reuter

ABN raises payment, calls for new equity

BY CHARLES BATCHELOR IN AMSTERDAM

ALGEMENE BANK Nederland (ABN) proposes increasing its 1978 dividend following a slight rise in the rate of profit growth. Consolidated net profit rose 15.2 per cent to Fl 271.2m ($135.6m) compared with the 14.4 per cent increase in 1977.

It also announced plans to make a one-for-10 rights issue which will raise Fl 144.2m ($72.1m). It will issue 515,000 shares of Fl 100 nominal, priced at Fl 280 a share.

ABN, Holland's second largest banking group in terms of balance sheet total, will pay a dividend of Fl 25 per Fl 100 nominal share compared with Fl 23.50. The final payment will be Fl 13 which may be taken either entirely in cash or as Fl 6 in cash and Fl 2.50 nominal in ordinary shares from the tax-free share premium reserve.

Profit before provisions and tax rose 16.5 per cent to Fl 656.5m. The bank will add Fl 140m to the provision for general contingencies compared with Fl 125m in 1977. It will set Fl 238.2m aside for taxes compared with Fl 203m.

Share capital rose 6.7 per cent to Fl 515.7m at the end of 1978. Profit per ordinary share rose to Fl 52.57 from Fl 48.16, adjusted for the increase in capital. ABN made no specific forecast for 1978 but the 12 months' figures show a slowdown in profit growth from the 22 per cent rate recorded in the first half. It gave no details of its balance sheet total after reporting a 9 per cent rise in the first six months to Fl 69.1bn ($34.5bn).

ABN also announced the appointment of Dr. Coen Oort, at present Adviser for International Financial Affairs and a former Treasurer General at the Finance Ministry, to the bank's Managing Board from April 27.

Earlier this week the bank opened its second Canadian branch in Vancouver. ABN Canada Ltd. has been established in Toronto since 1962.

Amsterdam-Rotterdam Bank previously announced a 19.2 per cent rise in 1978 net profit (after a 15.3 per cent increase the year before) and raised its dividend.

Danish bank raises dividend

By Our Nordic Editor

PRIVATBANKEN, the last of the big three Danish commercial banks to report, proposes to raise its shareholders' dividend by 1 per cent to 13 per cent after showing an earnings growth of almost 23 per cent for 1978. Its profit before adjustments for security gains and taxes was DKr 220m ($42.6m).

The profit includes net extraordinary income of DKr 2m. The result shown encompasses the whole Privatbanken group, including its Luxembourg subsidiary and other foreign interests. The figure of roughly DKr 117m declared at the halfway stage covered only the parent bank.

One of the most striking features of the 1978 account is the growth in group lending from DKr 8.58bn at the end of 1977 to DKr 10.33bn. This increase derives largely from the expansion of Privatbanken's Luxembourg subsidiary.

Privatbanken's earnings before depreciation amounted to DKr 326m last year against DKr 245m in 1977. Gains on security holdings totalled DKr 76m compared with DKr 53m, and after paying DKr 96m in tax the group declares net earnings of DKr 200m. The 1977 net profit was DKr 161m.

Hang Seng Bank upturn

By Hugh Peyman in Hong Kong

THE HANG SENG Bank yesterday announced a 35 cent rise in profits to HK$208.1m (U.S.$43.4m) and said it plans a one for four bonus issue and a two for one share split.

These results, slightly better than expected, bode well for the Hongkong and Shanghai Banking Corporation which has a 62.5 per cent stake in Hang Seng Bank and announces its final figures next Tuesday. Hang Seng raised its final dividend 10 cents to HK$2.50, making the year's total HK$3.40 on capital raised by a two for five bonus issue. Yesterday's bonus issue will raise issued capital to HK$36.09m (U.S.$7.5m) from HK$28.88m while the nominal value of shares is cut to HK$5 from HK$10 by the share split.

HK Telephone pays the same

By Our Hong Kong Staff

THE HONG KONG Telephone Company has announced a 19 per cent profit rise in 1978 to HK$ 191.9m (US$ 40m) and has proposed a one-for-10 bonus issue.

The final dividend remained unchanged from last year at HK$ 1 to give the same year's total dividend of HK$ 1.50 in 1977, but after the capital was increased by a one-for-10 bonus issue in April, 1978.

The turnover rose to HK$ 652.2m from HK$ 565m (US$ 135.9m) in 1977, in part due to higher telephone charges.

Chase REIT in surprise filing under Chapter 11

BY STEWART FLEMING IN NEW YORK

ONE OF the largest U.S. real estate investment trusts, the Chase Manhattan Mortgage and Realty Trust (Chase REIT), which at its peak had assets of $1bn, has filed a petition for voluntary bankruptcy under Chapter 11 of the Federal Bankruptcy Act. A Chapter 11 filing gives a company protection from its creditors while it reorganises its finances.

The move by the Chase REIT was unexpected, for it came in the midst of attempts to secure creditors' agreement in advance to a reorganisation scheme.

It is generally believed that the move to seek protection from creditors suggests that the company was finding it more difficult than expected to reconcile the conflicting interests of its creditors.

The court papers list the REIT's total assets as amounting to $270m, whereas its liabilities total more than $300m.

Although the company's financial difficulties were widely known, it was only in May of last year that the prospects of a bankruptcy petition surfaced, when the Chase defaulted on $37m of notes and accrued interest. Before this, there had been hopes that Chase Manhattan Bank, which had sponsored the company, supplying it with some of its funds and acting as investment adviser, might come to its rescue, even though the Trust is an independent corporate entity.

The Chase Manhattan Mortgage and Realty Trust was one of many real estate investment trusts sponsored by banks, which provided funds for property investment in the early years of the decade.

Dai Nippon in Polychrome fight

BY OUR NEW YORK CORRESPONDENT

A SUBSIDIARY of Dai Nippon Ink and Chemicals of Tokyo and Rhone-Poulenc of France, the chemicals group, are locked in a $60m takeover battle for Polychrome Corporation, the New York-based printing concern. Dai Nippon has increased the price it is prepared to pay from $21 to $25 per share in cash.

Yesterday morning Rhone-Poulenc had moved to block the original Japanese bid by raising its first offer of $17.25 a share to $22. Earlier, Dai Nippon said it had just concluded trade and licensing pacts with Polychrome and had entered into an agreement for the purchase of a $3.50 issue of a cumulative preference stock for $20m.

When the stock is issued, it will represent about one-third of the voting stock of Polychrome. The proceeds will be used to finance Polychrome's capital needs and to meet its obligation under the trade and licensing agreements.

Last night, Dai Nippon said that its amended offer did not affect these agreements or the $20m purchase of preferred stock.

The announcement gives a new twist to the news earlier in the week that Rhone-Poulenc, which already owns 40 per cent of the Polychrome equity, was prepared to pay $17.25 a share for the 375,000 Polychrome shares.

Finance for HK Transit

By Our Hong Kong Staff

HONG KONG'S Mass Transit Railway Corporation has arranged a HK$270m (US$56.3m) commercial paper facility through a purchasing group of seven financial institutions. The first HK$25m of commercial paper was sold yesterday when bills of exchange with a maturity of 28 days were purchased by the buying group.

The institutions are headed by Trident International Finance, owned by Barclays and Nomura Securities. Other group members are Asia Pacific Capital Corporation, Banque Nationale de Paris, Manufacturers Hanover Asia, Jardine Fleming and Co., Sun Hung Kai Finance Company, and LBI Finance (Hong Kong).

Curbs lifted on foreign buying of Japanese bonds

BY RICHARD C. HANSON IN TOKYO

THE MINISTRY of Finance announced yesterday the lifting of all remaining restrictions on non-resident purchases of Japanese corporate and government short-term bonds effective from today.

The controls on purchases of short-term government securities were put into effect in November 1977 while a broader curb on bond purchases by foreigners went into effect in March, 1978.

At that time, the government banned foreign buying of bonds with remaining maturities of less than five years and one month and, at the same time, putting a 100 per cent reserve requirement on new free yen deposits. The measures were taken in order to stem the huge speculative inflow of foreign capital which was forcing the yen's value sharply higher.

Over the past two months the authorities have been unwinding the restrictions. In December, foreigners became net purchasers of Japanese bonds worth $312m for the first time since last March. In January, foreigners bought a net total of $961m in Japanese bonds.

COMMODITIES/Review of the week

International cocoa pact talks fail

BY OUR COMMODITIES STAFF

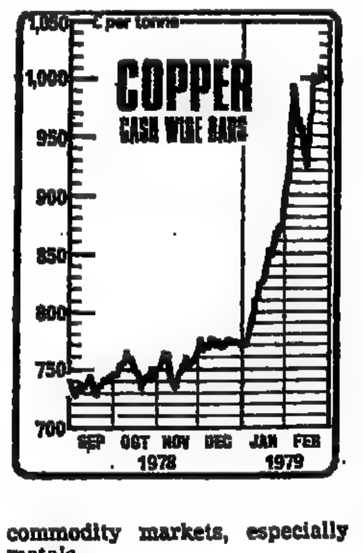
TALKS ON negotiating a new international cocoa agreement were adjourned indefinitely in Geneva yesterday. This followed the failure of exporting and importing countries to agree on the minimum and maximum prices levels in any new pact. The divergence was so wide that it was not considered likely that agreement could be reached at this stage.

Meanwhile, cocoa prices on the London futures market continued to fluctuate erratically. Values rose on Monday, fell sharply on Tuesday and Wednesday, and then rallied during the past two days raising the permissible limit up at one stage. Eventually, the May position closed last night at £1,814 a tonne, £13 higher on the week.

London merchants, Gill and Duffus, predicted a surplus of production over consumption for the 1978-79 season of 42 tonnes. This is double the surplus forecast in December but somewhat lower than the figure expected by other market dealers.

Gill and Duffus, as expected, lifted crop expectations but also raised the forecast level of demand.

The main influence in the market has been the surplus of nearby supplies depressing prices, but this was superseded at the end of the week by nervousness about the international situation following the Chinese invasion of Vietnam and fears that it might escalate. The invasion affected most commodity markets, especially metals.



Copper prices rose to new peaks for the year-end and the highest level since June, 1974—on Wednesday when cash wirebars reached £1,013 a tonne. Subsequently there was some heavy profit-taking selling, but the market rallied yesterday with cash wirebars closing at £1,002.75 a tonne, £31.25 up on the week.

The main influence was the Vietnam invasion, and rumours of Russian military action against China and reports of Rhodesia bombing camps in Zambia. The market is highly nervous, moving up and down according to latest rumours about the situation in Vietnam. But the undertone remains firm, encouraged this week by new rises in U.S. producer domestic prices, with Asarco going up to a record 95 cents a pound.

Tin did not follow the trend in copper and moved lower during mid-week on expectations of a rise in warehouse stocks further easing the nearby supply situation. However, prices rallied sharply yesterday and standard grade cash tin gained £127.5 to £7,340 a tonne, still £45 down on the week. The three months quotation was £65 up on the week at £7,262.5. Lead and aluminium values were also higher.

Silver prices rose to record levels this week with the bullion spot quotation reaching 390.85p an ounce before easing yesterday to 384p, still 17.9p up on the week.

Other commodities were mainly influenced by the Vietnam conflict.

Spot rubber rose by 3.25p to 84p a kilo, equalling the all-time peak reached in November last year.

Natural rubber producing countries agreed this week to press ahead with preparations for their own unilateral price control scheme because of slow progress on the proposed joint producer-consumer agreement.

World sugar values rose this week with the London daily raw sugar price climbing by £6 to £108 a tonne—the highest level since October.

Wooltops also rose sharply by 8p to 282p a kilo. This reflected an unexpectedly steep rise in Australian auction prices.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1978/79 High	1978/79 Low
Metals					
Aluminium	£710	—	£680	£710	£680
Free Market c.i.f.	$1,475-95	+105.0	$935	$1,485	$855
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1978/79 High	1978/79 Low
Wheat					
No. 1 Red Spring	‡	[illegible]	£86	£98.5	£83.5
Am. Hard Winter (Jan.)	£89.5	—0.5	‡	£92.25	£80.75
Eng. Milling (new crop)	£96.5	—	£94	£105	£89.6
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

‡ Unquoted. * Nominal. ø Madagascar.

MARKET REPORTS

BASE METALS

COPPER—Firmer on balance after another hectic day's activity on the London Metal Exchange. Forward metal moved up to £1,017 on the early pre-market following forecasts of a modest decline in warehouse stocks. However, heavy profit-taking which touched off stop-loss selling depressed the price to around £993 in the morning rings. In the afternoon various rumours concerning the China-Vietnam conflict and talk of a Rhodesian attack into Zambia prompted heavy influential buying which pushed forward metal up to £1,030 prior to a close on the kerb of £1,026. Turnover 31,325 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	990-1.5	—9	1002.5-3	+4.75
3 months	1009-10	—11.2	1020.5-1	+5
Settl'm'nt	991.5	—8.5	—	......
Cathodes				
Cash	983-4	—7.25	995-6	+6
3 months	1001-2	—3.25	1014-5	+5.25
Settl'm'nt	984	—7	—	......
U.S. Smt.	—	......	*87-95	......

Amalgamated Metal Trading reported that in the morning three months wirebars traded at £997, 98, 9, £1,000, 01, 02, 01.5, 02, 05, 06, 07, 08, 07.5, 08, 09, 10, 0.9. Cathodes, three months £1,002. Kerb: Wirebars, three months £1,009, 08.5, 09, 08.5. Afternoon: Wirebars, three months £1,009, 11, 13, 12, 13, 12.5, 13, 19, 20, 21, 20.5, 20, 20.5. Kerb: Wirebars, three months £1,024, 23, 22, 23, 24, 25, 26, 28, 29, 30, 29, 28, 27, 26, 27, 28, 27.5, 27, 26, 25.

TIN—Gained ground. Forward metal opened at £7,160 and fell away to £7,135, reflecting the fall in the Penang market. However, rumours concerning the China-Vietnam war coupled with physical demand and talk that a tin dredge had been damaged by fire saw forward metal move up to £7,220 on the morning kerb. In the afternoon the strong performance by copper prompted bear covering which took forward material up to £7,260 on the late kerb. Turnover 1,225 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7300-25	+85	7350-80	+125
3 months	7200-20	+35	7270-90	+95
Settlem't	7325	+95	—	......
Standard				
Cash	7260-75	+70	7330-50	+127.
3 months	7190-5	+45	7260-5	+102.
Settlem't	7275	+75	—	......
Straits. E.	‡S1876	—24	—	......
New York	—	......		

Morning: Standard, three months £7,150, 60, 80, 70, 75, 80, 90, 95, 80, 85, 90, 95. Kerb: Standard, three months £7,195, 7,200, 10, 20, 30, 7,20. Afternoon: Standard, three months £7,240, 50, 65, 60, 55, 60, 40, 45, 50, 60, 70, 60, 65, 70, 60, 55, 60, 65. Kerb: Standard, three months £7,260, 65, 85, 80, 70, 75, 70, 60.

LEAD—Sharply higher, reflecting the performance of copper. After rising to £494 on the pre-market forward metal fell away to £488 on profit-taking. However, a rally in copper saw the price move up strongly to £498 on the morning kerb and rise afresh in the afternoon to close at the day's highest level of £405.5, reflecting unease over the China-Vietnam situation. Turnover 12,825 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	527-8	+12	536-8	+19.5
3 months	497-8	+7	504-5	+12.2
Sett'ment	528	+12	—	......
U.S. Spot	—	......	42.4	......

Morning: Cash £527, three months £490, 91, 92, 94, 95, 96, 97. Kerb: Three months £497, 98, 99, 98, 97. Afternoon: Cash £538, three months £496, 97, 97.5, 500, 3, 4, 5, 6, 4, 5. Kerb: Three months £506, 5, 4, 3, 4, 5.

ZINC—Barely changed. After falling to £407 on the early pre-market on forecasts of a rise in stocks, forward metal thereafter moved ahead to close at the day's highest level of £418 on the late kerb, reflecting the strong performance of copper and lead. Turnover 6,275 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	399-401	—1.5	402.3	+1
3 months	413-.5	—2.25	415-6	—.25
S'ment	401	—1	—	......
Prim.west	—	......	35.5-7.5	......

Morning: Three months £411, 11.5, 12, 13. Kerb: Three months £413. Afternoon: Three months £412, 11.5, 16, 17, 16. Kerb: Three months £415, 17, 16, 15.5, 16, 17, 17.5.

ALUMINIUM—Higher on balance. Forward metal fell to £729 on the pre-market, following the downturn in copper, but later recovered strongly to touch £747.5 prior to closing at £743 on the late kerb. Turnover 4,375 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	741-3	—2	744-7	+3.5
3 months	741-3	—2.25	747-.5	+5.25

Morning: Three months £743, 42, 42.5, 43, 44, 43. Kerb: Three months £742. Afternoon: Three months £742, 43, 42, 42.5, 43, 47, 48, 48, 47.5, 47, 47.5. Kerb: Three months £746.5.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 4.2p an ounce lower for spot delivery in the London bullion market yesterday at 384.0p. U.S. cent equivalents of the fixing levels were: spot 771.80c, down 8.3c; three-month 789.9c, down 9.0c; six-month 805.0c, down 9.4c; and 12-month 827.4c, down 11.3c. The metal opened at 387-389p (778-782c) and closed at 385½-387½p (776-780c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	384p	—4.2	387.4p	—2.85
3 months	395p	—4.7	398.2p	—3.45
6 months	404p	—4.8	—	......
12 months	418.6p	[illegible]	—	......

LME — Turnover 181 (209) lots of 10,000 ozs. Morning: Cash 385.9; three months 395, 5.7, 96, 6.5, 6.7, 6.9, 97, 6.9. Kerb: Three months 397. Afternoon: Three months 394.5, 4.7, 4.5, 4.8, 4.9, 394, 398, 8.5, 8.3. Kerb: Three months 398, 8.1, 58, 7.8, 98, 98, 8.3, 8.7, 400, 399, 8.5.

COCOA

Futures remained steady before some profit-taking, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
March	[illegible]	+45.0	1795.0-58.0
May	1815.0-15.0	+28.0	1850.0-1795
July	1822.0-24.0	+18.0	1840.0-02.0
Sept	1845.0-48.0	+15.0	1865.0-42.0
Dec	[illegible]	+11.0	1903.0-1875
March	[illegible]	+4.0	[illegible]
May	1910.0-20.0	......	1935.0

Sales: 3,532 (3,978) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price Feb. 22 161.03 (158.05); indicator prices Feb. 23: 15-day average 158.23 (157.55); 22-day average 157.25 (157.23).

COFFEE

Robustas opened 5-10 higher today and during a fairly quiet morning session the market traded in a narrow range. The afternoon consisted mainly of switch operations and differentials fluctuated erratically but values overall held steady to finish up to £16 higher in some positions, reported Drexel Burnham Lambert.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1403-1405	—04.5	1417-1385
May	1366-1367	+07.0	1371-1357
July	1334-1336	+08.5	1347-1330
September	1302-1305	—01.0	1326-1305
November	1287-1289	+11.0	1298-1285
January	1258-1260	+18.0	1275-1259
March	1243-1245	+18.0	1243-1240

Sales: 6,526 (3,600) lots of 5 tonnes.

ICO Indicator prices for Feb. 22 (U.S. cents per pound): Colombian Mild Arabicas 129.00 (same); unwashed Arabicas 129.00 (128.00); other mild Arabicas 122.50 (121.83); Robustas ICA 1976 132.00 (same); Robustas ICA 1968 129.08 (132.50). Daily average 129.08 (127.94).

GRAINS

LONDON FUTURES (GAFTA)—Old crops opened 20p up. Wheat remained steady throughout the day and values increased on good buying interest in March on the close options closed firm 80-85p higher. Barley saw good trade particular interest being in the May and options closed steady 20-50p up. New crops came under a little pressure and values eased on lack of buyers to close 25-45p lower on wheat and 35-45p lower on barley. Acli reported.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent March 94.50, mid-March/mid-April 92.75, transhipment East coast. U.S. Hard Winter 13½ per cent late Feb./early March 89.50, transhipment East coast. EEC unquoted. Maize: U.S./French March 109, April 110.75, transhipment East coast. South African White April 75.50, Glasgow. South African Yellow April 70.50, Glasgow. Barley: English feed fob April/June 98, East coast.

EEC IMPORT LEVIES—The following levies and premiums are effective for Feb. 24 in order of current levy, plus March, April and May premiums (with previous in brackets) all in units of account per tonne. Common wheat: 83.78, nil, nil, 6.24 (84.37, nil, nil, 6.85). Durum wheat: 134.52, rest nil (134.52, rest nil). Rye: 84.85, nil, nil, 7.91 (84.85, nil, nil, 7.91). Barley: 93.98, rest nil (93.98, rest nil). Oats: 90.01, rest nil (90.01, rest nil). Maize (other than hybrid for seeding): 78.89, rest nil (79.48, rest nil). Buckwheat: 4.72, rest nil (4.72, rest nil). Millet: 77.74, rest nil (77.74, rest nil). Grain sorghum: 80.79, 3.04, 3.04, 3.65 (80.79, 3.04, 3.04, 3.65).

Flour levies: Wheat or Mixed wheat and rye flour: 129.75 (130.59). Rye flour: 130.42 (130.42).

HGCA—Location ex-farm spot prices. Other milling wheat: Norfolk 94.25.

The UK monetary coefficient for the week beginning February 26 will remain unchanged.

	WHEAT		BARLEY	
M'nth	Yesterday's close	+ or —	Yesterday's close	+ or —
Mar.	95.40	+0.85	92.30	+0.50
May	98.90	+0.80	94.75	[illegible]
Sept.	91.70	—0.25	85.45	—0.45
Nov.	95.15	—0.35	88.95	[illegible]
Jan.	98.75	+0.55	92.65	[illegible]

Business done—Wheat: March 95.25-94.75, May 98.90-98.40, Sept. 91.95-91.60, Nov. 95.15-95.15, Jan. 99.00-98.75. Sales: 155. Barley: March 92.30-92.05, May 94.75-94.55, Sept. 85.60-85.45, Nov. 89.10-88.95, Jan. 92.75-92.65. Sales: 199.

RUBBER

SLIGHTLY STEADIER closing on the London physical market.

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
March	65.25-65.50	65.90-64.00	—
April	66.00-66.50	64.10-64.50	—
Apr-Jne	66.05-66.50	64.85-64.90	66.50-64.90
Jy-Sept.	68.10-68.15	66.95-67.00	68.20-66.50
Oct-Dec	69.95-70.00	68.90-69.00	70.05-68.95
Jan-Mar	71.70-71.80	70.75-70.80	71.85-70.90
Apr-Jne	75.65-75.70	72.70-72.80	75.80-73.85
Jy-Sept.	75.60-75.70	74.70-74.80	75.70
Oct-Dec	77.60-77.75	76.70-76.80	77.25

Sales: 707 (826) lots of 15 tonnes and 3 (14) at 5 tonnes.

Physical closing prices (buyers) were: Spot 64p (63.25); April 63.5p (62.75); May 64.75p (63.75).

SOYABEAN MEAL

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
February	—	—	—
April	151.50-52.5	—1.5	132.50-51.50
June	152.90-58.1	—1.1	155.50-52.70
August	154.40-54.5	—1.2	155.00-54.10
October	155.40-55.7	—1.0	—
December	130.00-31.2	+1.1	—
February	129.50-32.0	......	—

Sales: 109 (155) lots of 100 tonnes potatoes from New York.

SUGAR

LONDON DAILY PRICE (raw sugar): £108.00 (same) a tonne cif for Feb.-March shipment. White sugar daily price was fixed at £109.50 (£110.00).

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
March	109.25-08.75	109.50-08.75	109.00-08.25
May	111.85-12.00	112.80-12.65	113.00-11.40
Aug.	115.80-15.85	116.25-16.55	116.50-15.50
Oct.	118.15-18.20	119.00-19.50	119.25-18.00
Dec.	120.75-20.80	121.30-21.75	121.05-20.25
March	125.25-25.50	126.50-26.60	[illegible]
May	128.00-28.50	128.50-31.00	128.80

The market quickly recovered from the overnight levels as sellers withdrew scale-up. Thereafter, prices showed little change in good two-way trading conditions, reported C. Czarnikow.

Sales: 3,636 (3,472) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £264.85 (same) a tonne for home trade and £173.50 (173.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port)—Price for Feb. 22 Daily 8.80 (8.79); 15-day average 8.14 (8.06).

WOOL FUTURES

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron contract: Mar. 392.0, 395.0, 392.0-372.5, 174; May 411.0, 419.0, 411.0-386.0, 218; July 398.0, 402.0, 404.0-399.0, 154; Oct. 397.0, 398.0, 398.0-395.0, 142; Dec. 398.0, 399.0, 399.0-396.0, 129; Mar. 401.5, 404.0, 402.0-399.0, 71; May 403.5, 406.0, 404.0-399.5, 55; July 408.0, 415.0, 410.0-399.5, 44.

LONDON GREASY — Close (in order buyer, seller): March 220.0, 232.0, May 228.0, 240.0, July 242.0, 247.0, Oct. 242.0, 249.0, Dec. 242.0, 248.0, Rest 243.0, 251.0. Sales: 2.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller): March 190.0, 198.0, May 197.0, 206.0, July 194.0, 203.0, Oct. 200.0, 205.0, Dec. 199.0, 205.0, Rest 199.0, 207.0. Sales: nil.

AMERICAN MARKETS

NEW YORK, Feb. 23.

PRECIOUS METALS once again closed higher on renewed speculative buying and short covering amidst concern over possible confrontations between the Chinese and the Soviets. Copper also closed stronger on fresh speculative buying on expectations of another sharp decrease in LME stocks. Sugar reversed yesterday's losses on steady Commission House buying and industrial price fixing. Cocoa closed higher on trade arbitrage buying, Bache reported.

Cocoa—March 158.00 (152.60), May 159.50 (155.50), July 161.00, Sept. 162.85, Dec. 165.00, March 166.50, May 167.50. Sales, 589.

Coffee—"C" Contract: March 128.50 (128.16), May 127.50-128.00 (128.15), July 127.90-128.00, Sept. 127.90-128.25, Dec. 128.00-128.25, March 127.99-128.00, May 128.50-129.30. Sales, 1,645.

Cotton—No. 2: March 63.25-63.40 (63.55), May 66.01-66.15 (66.15), July 68.10-68.20, Oct. 66.89, Dec. 65.60-65.70, March 72.00-72.25, May 68.40-68.65, July 67.90-68.00. Sales, 6,550.

Copper—Feb. 89.90 (89.90), March 90.00-90.05 (89.90), April 90.70, May 91.50-91.70, July 91.80, Sept. 92.00, Dec. 91.50-91.55, Jan. 91.60, March 91.15, May 91.05, July 91.00, Sept. 90.90, Dec. 90.70.

*Gold—Feb. 254.10 (254.10), March 253.70 (253.70), April 255.40-256.00, June 260.30-260.70, Aug. 265.10, Oct. 269.90, Dec. 274.70, Feb. 279.50, April 284.40, June 289.30, Aug. 294.20, Oct. 299.20, Dec. 304.20.

Platinum — April 422.00-423.50 (419.50), July 424.00 (421.50), Oct. 427.50, Jan. 429.00, April 431.20-431.40, July 433.60-433.80, Oct. 435.90-436.10.

Potatoes (round whites)—March 61.5 (60.9), April 64.0 (63.7) May 73.4, Nov. 57.8, March 65.4, April nil, May 81.0. Sales: 1,629.

Orange Juice—March 106.00 (108.40), May 106.60 (109.40), July 107.50, Sept. 107.90, Nov. 104.90-105.00, Jan. 102.10, March 102.35, May 102.35-102.50, July 102.25-102.50.

Silver—Feb. 788.00 (same), March 787.50-790.00 (788.00), April 793.50, May 798.00-801.00, July 807.00-810.00, Sept 816.60, Dec. 830.00, Jan 833.60, March 842.00, May 850.50, July 859.00, Sept. 867.50, Dec. 880.50.

Tin—679.00-720.00 asked (674.00-710.00).

CHICAGO, Feb. 23.

Lard—Chicago loose 25.50 (same). New York prime steam 27.00 traded.

Live Cattle—April 68.40-68.42 (68.50), Jun 69.32-69.95 (69.25), Aug. 68.15-68.75, Oct. 66.50-66.87, Dec. 67.80-68.00, Jan. 68.00-68.50, Feb. 69.25-69.50, April 69.50-69.70, June 70.50-70.80, Aug. 70.80-71.30. Sales: 31,934.

Live Hogs—April 53.40-53.50 (53.67), June 55.35-55.12 (55.50), July 55.60-55.40, Aug. 53.07-53.02, Oct. 50.80-50.60, Dec. 51.35-51.20, Feb. 50.30, April 48.05. Sales: 6,733.

‡‡Maize—March 239¾ (239¾), May 249½-249 (249½), July 255¼-255, Sept. 258½, Dec. 263-262¾, March 270¾.

Pork Bellies — March 67.50-67.55 (67.67), May 68.70-68.45 (68.55), July 68.50-68.70, Aug. 66.65. Sales: 7,825.

‡Shell Eggs—March 54.60-54.70 (55.00), April 50.90 (51.10), May 49.50, June 50.75, Sept. 59.50, Nov. nil, Dec. 61.25. Sales: 94.

Silver — Feb. 788.0-789.0 (781.2), March 793.0 (785.8), April 797.0-798.5, June 807.5-808.0, Aug. 816.5-817.0, Oct. 826.5-826.0, Dec. 834.0, Feb. 843.0, April 851.0, June 859.5, Aug. 867.5, Oct. 876.5, Dec. 885.5, Feb. 894.5, April 904.0, June 913.5, Aug. 923.0.

†Soyabeans—March 772-774 (765), May 790-786 (781), July 798-797, Aug. 780, Sept. 740, Nov. 712½-713½, Jan. 722-722½, March 732-732½.

¶Soyabean Meal—March 203.00-203.50 (201.40), May 207.00-206.50 (205.40), July 211.00-210.50, Aug. 209.00, Sept. 203.50, Oct. 198.50, Dec. 198.00-197.80, Jan. 197.50, March 198.00-198.50.

Soyabean Oil — March 28.05-28.10 (27.98), May 28.35-28.40 (28.27), July 28.40-28.45, Aug. 28.10-28.00, Sept. 26.95, Oct. 25.65-25.60, Dec. 25.00-25.10, Jan. 24.90, March 24.80, May 24.70-24.50.

Plywood—March 208.8-209.8 (210.2), May 211.9 (213.2), July 213.0, Sept. 210.9, Nov. 209.0, Jan. 209.0, March 209.0.

WINNIPEG, Feb. 23. §Rye—May 107.30 (108.50), July 106.70 (107.10), Oct. 106.50, Dec. 107.90.

§Barley—March 80.50 (80.80), May 80.60 (80.80), July 82.60, Oct. 84.60, Dec 84.20.

§Oats—March 86.50 (86.70), May 83.30 (84.00), July 82.30, Oct. 83.60, Dec. 83.60.

§Flaxseed—May 364.40 (366.70), July 358.90 (359.80), Oct. 350.00, Nov. 346.00, Dec. 342.00.

§Wheat—SCWRS 13.5 per cent protein content cif St Lawrence 191.14 (190.68).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § SCan. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

Feb. 23	Feb. 22	M'nth ago	Year ago
270.27	270.48	261.84	224.44

(Base: July 1, 1952=100)

DOW JONES

Dow Jones	Feb. 23	Feb. 22	Month ago	Year ago
Spot	385.57	383.65	375.17	350.72
F'tur's	384.75	382.87	368.78	333.27

(Average 1924-25-26=100)

MOODY'S

Feb. 23	Feb. 22	M'nth ago	Year ago
1055.9	1054.2	996.6	894.1

(December 31, 1931=100)

REUTERS

Feb. 23	Feb. 22	M'nth ago	Year ago
1558.8	1554.2	1503.8	1379.9

(Base: September 18, 1931=100)

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on February 23. GB—Cattle 71.48p per kg.l.w. (—0.80). UK—Sheep 152.9p per kg est.d.c.w. (—5.2). GB—Pigs 57.3p per kg.l.w. (no change). England and Wales: Cattle average price 71.67p (—1.52). Sheep average price 154.7p (—6.7). Pig average price 62.2p (—11.0). Scotland: Cattle numbers down 3.4 per cent, average price 70.45p (—0.11). Sheep numbers up 55.9 per cent, average price 144.2p (—9.8). No England and Wales per cent, due to bad weather last week.

CONTRACTS

Davy company wins £5½m China deal

DAVY INTERNATIONAL (OIL AND CHEMICALS) a Davy Corporation company, has won a contract worth about £5½m from the China National Technical Import Corporation for the engineering and supply of equipment for a synthesis gas plant to be located at Taching, China. The plant will be fed by heavy fuel oil and will use the partial oxidation technology of the Texaco Development Corporation. It will provide feedstock for a 70,000 tonnes per year capacity oxo-alcohols plant.

*

Contracts totalling £4½m for the installation of cavity wall insulation, roof insulation and draftproofing in 18,000 houses in the married quarters of the armed forces in Britain, have been placed with **CAPE INSULATION SERVICES.**

*

GEORGE WIMPEY CANADA has been awarded six contracts together worth more than £3.6m. Two of the contracts, in Florida, U.S., are valued at £1.1m. The largest is for a 2½ mile by 54 inch wastewater pipeline from Homestead to the Miami-Dade wastewater treatment plant where Wimpey Canada is currently carrying out site preparation work. The second Florida contract is for drainage and sewers for the district of Audubon Clusters, Homestead. A £2.3m-contract has also been signed with Lenndorff Property Management for the construction of a six storey office complex and six-level car parking at Etobicoke. Three smaller contracts worth £200,000 for drainage and water supply are being undertaken at Ajax, Duffin Bay, at Meadowvale, Mullet Creek and at Columbus, Ohio.

*

Contracts worth more than £2m have been won by **SOUTHERN COUNTIES CONSTRUCTION COMPANY.** The largest of these are the head works for a sea outfall project for Wessex Water Authority jointly with Edmond Nuttall, a dual-carriageway scheme for Havant Borough and an industrial warehouse complex for a private development group.

*

TUBE CONSTRUCTION has been awarded airport and industrial contracts worth about £1.4m. Projects under construction comprise steelwork to form an extension to the electricity power station in Guernsey (£140,000), structural steelwork for two shopping centres at Hempstead and Redditch (£220,000) and, for the British Airports Authority, the building of a £580,000 cargo facility with associated offices, air and land side forecourts and access road at Stansted in Essex. Another major undertaking (£408,000) for the British Airports Authority will be the supply and erection of the roof and concourse steelwork for the North-Eastern terminal extension at Gatwick.

*

Contracts worth over £1.65m have been received by **CERA INTERNATIONAL CORPORATION**, the American agent for Mitcham-based Cera International Limited. One contract is for an installation worth £1.5m at the new engine manufacturing facility at Chrysler's Trenton, Michigan, plant. The other, valued at nearly £150,000, is for Tremec, a Mexican associate company of Clark Equipment, which machines aluminium transmission cases for manual gear boxes and associated automotive items.

*

GEC ELECTRICAL PROJECTS has received an order worth about £1½m from the British Steel Corporation for electrical drives and automation equipment to convert the existing voltage-controlled three-stand cold mill at the Corporation's Port Talbot works into a speed-regulated four-stand mill with computerised automatic gauge control, digital position control of screw-down drives and twin-cone uncoiler. A separate order worth £150,000 from the British Steel Corporation covers the supply of a new uncoiler motor for the existing Port Talbot five-stand tandem cold mill.

*

British Nuclear Fuels has awarded an £850,000 contract to ***BALFOUR BEATTY CONSTRUCTION***, a part of the Balfour Beatty Group of BICC, for construction of a new link road between Calder and Seascale, Cumbria.

*

FOUNDRY EQUIPMENT INTERNATIONAL, a part of the Aurora Group has been awarded a £337,500 contract by **John Williams Foundries** for a new sand conditioning and distribution plant.

*

A contract worth more than £1m for control room instrumentation for a new alumina plant at San Ciprian in Spain has been placed with **TAYLOR INSTRUMENT** by Alumina Espanola, S.A. (Aluesa).

*

A wet type dust collection plant to be manufactured and supplied by **AIR POLLUTION ENGINEERING** is part of a contract awarded by Dorset County Council for a *£730,000 solid waste transfer station* to be constructed at Nuffield Estate, Poole.

*

SHEPHERD CONSTRUCTION has been awarded a £574,000 contract for a three-storey extension to the Vickers medical complex at Basingstoke. Conference and demonstration rooms are being provided within the new extension, which will be linked by a bridge to existing buildings.

SINGAPORE

Feb. 23	$	Feb. 23	$
Industrials		Straits Trdg	5.30
		Times Pub.	
Boust'ad Co	‡1.90	Berhad	‡2.99xd
Boust'ad Bd	2.62	U. Engin'ers	1.30
Dunlop	4.64	U. Ov's Bk...	3.22
Esso....	3.90	Wearnes.....	2.60
Fraser Nave	5.05	Tractors.....	4.98
Haw Par.....	1.52	Chemical ...	‡4.78
Hume Ind...	1.71	Wilm. Jacks	1.25
Inchcape ..	1.52	Rubbers	
Malay Brew	†5.50	Btu.Lintang	2.07
Malay Cemt	2.73	Dunlop Est.	3.90
Met.ExSing	2.78	Kempas......	4.04
Ov's ChinBk	7.60	Tins	
Pan El'ctric	1.32	Austral.Am.	‡5.20
Robins'n Co	2.25	Berjuntai ...	†7.50
Rothman....	†2.68	Kampar......	‡5.16
Shell.	‡2.74	Kuchai	—
Sime Darby	3.02	Lower Perak	—
Cold St'r'ge	2.07	PetalingTin	‡7.30
SraitsSte'm	†2.40	SupremeCp.	‡1.94
Straits Tms (1975) Ltd..	6.10	Tongkah Har.	—

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN	F 360	5	6.50	—	—	—	—	F.360.50
ABN	F.370	13	0.70	—	—	—	—	"
ABN	F.380	1	2	—	—	—	—	"
AKZ	F.25	1	6.60	—	—	—	—	F.31.60
AKZ	F.30	1	2.20	—	—	—	—	"
AKZ	F.32.50	20	1.10	—	—	16	3	"
AKZ	F.35	3	0.30	—	—	—	—	"
ARB	F.78.90	4	0.60	—	—	—	—	F.76.30
IBM	$300	1	15⅜	—	—	—	—	$303¼
KLM	F.100	3	7.70	3	11.40	—	—	F.106.50
KLM	F.110	10	3.30	10	6.30	5	8.50	"
KLM	F.120	—	—	5	3.70	—	—	"
NN	F.120	1	0.80	—	—	—	—	F.108.80
PHI	F.22.50	75	1.70	—	—	2	2.50	F.23.30
PHI	F.25	—	—	1	0.90	—	—	"
PHI	F.27.50	—	—	—	—	10	0.70	"
PRD	$45	4	5¼	—	—	—	—	$48¼
PRD	$50	5	2⅛	—	—	—	—	"
PRD	$60	2	⅜	—	—	—	—	"
PSA	F.360	2	17	—	—	—	—	F.369
PSA	F.380	5	7	—	—	—	—	"
RD	F.120	5	10	2	10.50	—	—	F.127.90
RD	F.125	19	5.70	—	—	—	—	"
RD	F.130	59	2.50	40	3.80	—	—	"
RD	F.140	5	0.30	—	—	—	—	"
UNI	F.120	—	—	—	—	1	7	F.123.80
		May		August		Nov.		
BA	$60	—	—	5	12⅝	—	—	$66
BA	$70	6	4⅜	—	—	—	—	"
BA	$80	2	1⅛	—	—	—	—	"
SLB	$100	—	—	—	—	1	11½	$101⅝
TOTAL VOLUME IN CONTRACTS						353		

Stock Exchange dealings

Thursday, February 22	....	5,451
Wednesday, February 21	....	5,494
Tuesday, February 20	....	6,057
Monday, February 19	....	4,253
Friday, February 16	....	3,726
Thursday, February 15	....	4,474

The list below records last Thursday's marking and also the latest markings during the previous four trading days of any share not marked on Thursday. The latter can bed istinguished by the date (in parentheses).

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in pence and fractions of pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ¶ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian: $C—Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

Amber Day (10p) 47 (21/2)
Anderson Strathclyde (25p) 62⊕ 60½⊕ 2. 7¼pcLn. 60⊕
Anglia TV NV A (25p) 93 (20/2)
Anglo-American Asphalt (25p) 43
Applevard (25p) 81 (20/2)
Aquascutum A (5p) 36 (19/2)
Arcolectric A NV (5p) 20 (19/2)
Arenson (10p) 75 (19/2)
Ariel Inds. (25p) 36 (20/2)
Arlen Electrical (25p) 73 (21/2)
Armitage Shanks (25p) 73⊕. 10pcLn. 67 (20/2)
Armstrong Equipment (10p) 63½ (21/2)
Ash Lacy (25p) 144 (21/2)
Associated Biscuit (20p) 81⊕ 79. 3.65pc Pf. 37 (19/2)
Associated Book Publishers (20p) 307 8 10
Associated British Foods (5p) 67⊕ 5. 6½pcDb. 70¼. 7½pcLn. 26.
Associated Communications A (25p) 108⊕
Associated Dairies (25p) 200 2
Associated Electrical Inds. 6pcDb. 76¼ (16/2)
Associated Engineering (25p) 90½. 6¾pc

Cantors A Non-vtg. 44 (16/2)
Cape Industries (25p) 144
Caplan Profile Grp. (10p) 142 (19/2)
Capper-Neill (10p) 63
Capseals (5p) 46½
Caravans Internl. (20p) 61⊕ 60
Cardo Engng. Grp. (25p) 87
Carless Capel Leonard (10p) 35 ½ 4 (21/2)
Carpets Internl. (50p) 54½ 3½ (20/2)
Carr (John) (Doncaster) (25p) 57 (21/2)
Carrington Viyella (25p) 33½. 8.1pcLn. 55 (16/2)
Carron Co. (Hldgs.) (25p) 59 60 (19/2)
Carr's Milling Inds. (25p) 89
Cartiers Superfoods (20p) 110⊕ 14
Casket (S.) (Hldgs.) (10p) 36 (21/2)
Cattle's (Hldgs.) (10p) 34
Causton (Sir Joseph) Sons (25p) 30 (21/2)
Cavenham 10pc1stPf. 88 9½. 9¾pcUns. Ln. 64. 10pcUns.Ln. 65 (20/2)
Cawdaw Indust. Hldgs. (25p) 31½
Cawoods Hldgs. (25p) 166 (20/2)
Celestion Inds. (5p) 32
Celtic Haven (5p) 9½⊕ 10

هكذا من الأصل

SPECIAL LIST

Business done in securities quoted in the Monthly Supplement.

FEBRUARY 22 (4)

Carico Eng. Grp. 5.95pcPf p52ø
Nikolaef (City of) 5pcGoldBds. 1912 £30 3
Perm (City of) 5pcLn. 1914 £35 40
Saratoff (City of) 5pcLn 1909 £40

FEBRUARY 21 (5)

Nikolaef (City of) 5pcGoldBds. 1912 £27 30
Perm (City of) 5pcLn. 1914 £35
Saratoff (City of) 5pcLn. 1909 £35

FEBRUARY 20 (Nil)

FEBRUARY 19 (Nil)

FEBRUARY 16 (Nil)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

FEBRUARY 22

Argo Inv. 140 1
Ashton Mng. 90ø
Atherton Antimony 76ø
Australian Oil Gas 85ø
Australian Oil Gas New 43ø
Bougainville Copper 165 US$ 2.22
CSR 292ø 90ø
Canadian Pac. Inv. £15
Coles (G. J.) 168ø
Conzinc Rio Tinto 300ø US$ 4.11
East Asiatic Hldgs. £15¼
Eastman Kodak £46¼ø
Highmont Mng. 275
Hong Kong Land 116ø
Hutchison Whampoa 62
Jardine Matheson 174
MIM Hldgs 269
Mannesman 5pcLn. 1959-84 £38
Metal Explrn. 39 ½
New Metal Mines 21ø 15: 22
Nicholas Intnl. 80
Oil Mineral 32
Oil Search 8
Pac. Copper 111ø 7
Pancontinental US$ 13.15ø
Pioneer Concrete 125ø
Selcast 47ø 51 50½
Shell Canada A £10
Swire Pac. A 119 ½
Thiess Hldgs. 205
Thyssen AG (DM 50) £40
Union Oil California £44
Western Queen 18ø
Seafield Gantex 9ø
Seafield Gantex 9ø
Swire Pac. A 124½ø 20½ 20
Unilever NV (Fl. 20) £44.80
Wheelock Marden A 45ø
Woodside Pets. 58ø

FEBRUARY 20

Allied Chem £21ø
Asscd. Manganese £14½
Beach Pets. 53ø 3
Bougainville Copper 167 4: 5
BH South US$ 1.88½ p139
Carling O'Keefe US$ 4.06ø
Carr Boyd 37ø
Comalco A 240
Gold Mines Kalgoorlie 89
Gould Inc. £21ø
Hong Kong Realty A HK$ 2.50ø 2.50½
Hutchison Whampoa 63 1
Island Peninsular Realty HK$ 1.58ø 1.58½
Jardine Matheson 173ø ½:
Middle South Utilities £11¼
MIM Hldgs. 265ø
Mitchell Energy £15¼
New Metal Mines 21ø
Oakbridge 129
Selcast 42 US$ 0.58
Shun Tak HK$ 1.80ø 1.80½
Swire Pac. A 117½ø 23
Wearn Bros US$ 2.60ø 2.60¼
Westmex 8:
Wheelock Marden A 43ø. Do. B 40
Woodside Pets. 57

FEBRUARY 19

Borden Inc. £18½:
Bougainville Copper 165 7 ½
Conzinc Rio Tinto 308 300 4
Gen. Foods £24½:
Gold Mines Kalgoorlie 90 89
Hong Kong Elec. 82
Hutchison Whampoa 61
Instron Cpn. £12
Kulim Malaysia 49
Mnt. Lyell 68
Nthrn. Mng. 87
Otter Explrn. 32
Pac. Copper 97
Poseidon 60
Selangor Coconuts 122ø
Swire Pac. A 116½ 18 16
Wheelock Marden A 46½

FEBRUARY 16

Amerada Hess £20¼
Ashton Mng. 85
Australian Oil Gas 69ø
Basic Resources 465
Bougainville Copper 162ø US$ 2.25
Can. Pac. Inv. £15½ø
Cent. Pac. Mins. 440ø
Deere Cpn. £26½:ø
Dresdner Bk. £88:
Endeavour Resources 21ø
EZ Inds. 276ø
Gold Mines Kalgoorlie 82ø
Highmont Mng. 232
Hispano Fund Units £29¼ø
I Metal £91¼ø
Highmont Mng. 268 70
Hudson's Bay Oil Gas £36
Hutchison Whampoa 61½
Imp. Oil A £16
Jardine Matheson 178ø 7
Matheson Inv. 7¼pcCnv. £95
Metal Explrn. 36½ 7 8
New Metal Mines 22ø
Norcen Energy £10
Olimin 30
Pac. Copper 98ø 100ø 2ø
Pancontinental £10
Peko Wallsend £4.78 US$ 8.88
Penney (J. C.) £23¼
Poseidon 60

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

FEBRUARY 22

All England Lawn Tennis Ground £50Dbs. £3900
Arab Energy 75
Broder TV A N-vtg 23½
Cambridge Instrument (1p) 2½ 2
Cambridge Instrument (10p) 3
CCP North Sea Associates £13 35
Channel Hotels and Props. 19
Clairmace 25½ 5
Clyde Petroleum 114 12 10
Comml. Bk. Wales 130 25
Deltenne (Hldgs.) 17
Doloswella Hldgs. 21
Eldridge Pope A 245
Exchem Hldgs. 100
Gen. Ceylon (Hldgs.) 24 3 2 1 20 19 17
GRA Prop. Tst. 16 15¾
Heavitree Brewery A 620
IAS Cargo Airlines 6pcPf. (f. pd.) 136
Kellock Hldgs 65 4
Kellock Hldgs. 11pcPf. 84
Kellock Hldgs. Cnv.Ln. (1st sers.) 61 59
Kellock Hldgs. Cnv.Ln. (2nd sers.) 61
Kunick Hldgs. 22
Le Riches Stores 240
Maddock 25 4
Maddock 7½pcCnv. £69
Manx Pet. 15 ½
Mng. Inv. Cpn. 67 6
Nationwide Leisure 9
North Sea Assets 987½ 75
Norton Villiers Triumph 2½ 2
Oldham Brewery 85 4
Siebens (UK) 282 80 76
Sthrn. Newspapers 116 13
Star Offshore Services 67¼ 7
Tea Cpn. 12
Telbedde Ragalla' Invs. 10
Twinlock 25½ 5
Urogate Inv. 150
Viking Oil 130 28
Wennstay Props. 315

FEBRUARY 21

Aran Energy 72
Arms Pk. (Cardiff) Greyhound Racing 25
Border TV A N.-vtg. 23
Cambridge Instrument (1p) 2½ 2 1
Cambridge Instrument (10p) 3
Channel Hotels and Props. 18
Clairmace 25½
Clyde Pet. 114 13 12 10
Comml. Bk. Wales 130 25 25 3 20 15
Dalkeith (Ceylon) Hldgs. 10
Deltenne (Hldgs.) 17½ 17
DM Hldgs. 5½pcPf. 25
Dollar Land Hldgs. 49½
GRA Prop. Tst. 16 15¾ 16¼
Gale (George) 435
Harvey Thompson 6½pcLn. £44
IAS Cargo Airlines 97 6 5 4
Kathleen Inv. (Australia) 260 55
Kellock Hldgs 68 60
Kellock Hldgs. Cnv.Ln. (1st sers.) 55
Kunick Hldgs. 21
Maddock 25 4
Maddock 7½pcCnv. £67
Manchester Utd. FC 225
Mng. Inv. Cpn. 67
Nationwide Leisure 9
North Sea Assets 975 50 25 875 775
Norton Villiers Triumph 2
PMPA Insurance 7½pcCnv. £67
Queen St. Warehouse (Hldgs.) 8¼ 5
Rangers FC 800
Clyde Pet. 113 12 11 10
Comml. Bk. Wales 130 25 285 20 15
Deltenne Hldgs. 18 17 16½
Dimbula Valley (Ceylon) Tea 80
Dollar Land Hldgs. 50 49
Eldridge Pope A 247 2
GRA Prop. Tst. 16¼ 16 15¼
Grendon Tst. 11pcLn. £21½ 2¼
Jennings Bros. 85
Kellock Hldgs 66 5 2
Kellock Hldgs. Cnv.Ln. (1st sers.) 59
Kellock Hldgs. Cnv.Ln. (2nd sers.) 60
Kunick Hldgs. 21
Manchester Utd. FC 250
Mid Kent Water 2.8pcPf. £25
Mng. Inv. Cpn 67 61.
Nationwide Leisure 10 10 9½ 9
Norton Villiers Triumph 2½ 2 1½
Oldham Ests 160 56
Ouvah Highfields 55
Queen St. Warehouse (Hldgs.) 5
Richmond Park Laundry 6
R&C Bldgs. £15
Selton Hotel 125
Star Offshore Services 70
Twinlock 12pcLn. £72
Urogate Invs 143
Viking Oil 134

FEBRUARY 19

Arsenal FC £155
Burrough (James) 138
Cambridge Instrument (1p) 2 2 1½
Cambridge Instrument (10p) 3 2½
CAMRA (Real Ale) Invs. 103
Clyde Pet 112 10
Comml. Bk. Wales 115
Dart Valley Light Railway 50 47½
Deltenne (Hldgs.) 17
Dollar Land Hldgs 50
Eastbourne Waterworks 4.9pcMax. 48
Eldridge Pope A 250
GRA Prop Tst 16 15¾
IAS Cargo Airlines 9-
Kellock Hldgs. 66
Kunick Hldgs. 23 2
Mining Inv. Cpn 67 6 5
Nationwide Leisure 10
Norton Villiers Triumph 2 2 1
Star Offshore Services 70¼ 70

FEBRUARY 16

Aran Energy 65
Baxter (W. H.) 135 25
Burrough (James) 137
Cambridge Instrument (1p) 2 2
Cambridge Instrument (10p) 3
Ceylon and Indian Planters Hldgs. 4
Clyde Pet 110 9 8 7 5 4 3 3 2
Comml. Bk. Wales 115
Dalkeith (Ceylon) Hldgs. 10
Deltenne Hldgs. 18 17 17
Dollar Land Hldgs 46
Doloswella Hldgs 22
GRA Prop Tst. 16½ 16 15¾
Hartley Baird 3
Harvey and Thompson 6½pcLn. £43
IAS Cargo Airlines 95
Kellock Hldgs. 66
Kunick Hldgs. 23
Maddock 26 25
Manchester Utd FC 200
Mining Inv. Cpn 68 7 6 6
Nationwide Leisure 10
North Sea Assets 750
Norton Villiers Triumph 2
Oldham Brewery 55
PMPA Insurance 44
Star Offshore Services 70
Twinlock 12pcLn. £72
Urogate Inv. 145
Viking Oil 122

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

FEBRUARY 19

Candecca Resources 43
Siebens (UK) 224 2 80
Candecca Resources 45

FEBRUARY 16

Candecca Resources 44
Siebens (UK) 284 2 80 76

By permission of the Stock Exchange Council

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barnsley Metro. (0226 203232)	12½	½-year	250	3-4
Barnsley Metro. (0226 203232)	13	½-year	250	5-7
Exeter (0392 77888)	13	½-year	500	6-7
Knowsley (051 548555)	12¾	½-year	1,000	5-7
Reading (0734 592325)	14½	maturity	1,000	6-7
Redbridge (01-478 3020)	12¾	½-year	200	4-5
Sefton (051 922 4040)	13	½-year	2,000	5-7
Wrekin (0952 505051)	13½	yearly	1,000	5-10

BUILDING SOCIETY RATES

	Deposit rate	Share accounts	Sub'pn shares	*Term Shares
	%	%	%	
Abbey National	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs.
Aid to Thrift	8.25	8.75	—	—
Alliance	7.75	8.00	9.25	9.00 3-4 yrs., 8.50 2 yrs., 8.25 1 yr.
Anglia Hastings and Thanet	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Bradford and Bingley	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs.
Bridgwater	7.75	8.00	9.50	9.10 2½ yrs., 8.75 2 yrs.
Bristol and West	7.75	8.00	9.25	—
Bristol Economic	7.75	8.00	9.25	8.25 3 months' notice
Britannia	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs., 3 months' not.
Burnley	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs.
Cardiff	7.75	8.50	9.50	—
Catholic	7.50	•8.30	9.00	— • 8.40 over £5,000
Chelsea	7.75	8.00	9.25	8.75 6 mths. not. £500 min. 8.50 3 mth.
Cheltenham and Gloucester	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs., £500-£15,000
Citizens Regency	7.75	8.30	9.50	9.30 3 years
City of London	8.00	8.30	9.25	9.35 3 yrs. increment share min. £500
Coventry Economic	7.75	8.00	9.25	9.00 3 yrs. min., 8.50 3 mths. notice
Coventry Provident	7.75	8.00	10.00	9.25 3 yrs., 8.75 2 yrs., 8.25 1 yr.
Derbyshire	7.75	8.00	9.25	8.50 up to 3 months' notice
Gateway	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Guardian	7.75	8.25	8.50	8.85 £1,000 3 months' notice
Halifax	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs.
Heart of England	7.75	8.00	9.25	9.00 3 yrs., 8.50 3 months' notice
Hearts of Oak and Enfield	7.75	8.25	9.75	9.25 3-4 yrs., 9.00 2 yrs., 8.71 1 yr.
Hendon	8.00	8.50	—	9.00 6 months, minimum £2,000
Huddersfield and Bradford	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs.
Lambeth	7.75	8.30	9.75	9.00 3 months' notice, £250-£5,000
Leamington Spa	7.85	8.10	■10.07	8.85 2 years. ■ 3 years
Leeds Permanent	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs., min. £1,000
Leicester	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs., 8.25 3 mths.
Liverpool	7.75	8.00	9.45	9.10 3 yrs., 8.60 2 yrs., min. £1,000
London Goldhawk	7.75	†8.50	†9.75	†9.50 3 yrs., †9.25 2 yrs., †9.00 1 yr.
Melton Mowbray	7.85	8.10	9.25	8.85 2 yrs., minimum £2,000
Mornington	8.25	8.75	—	—
National Counties	8.00	8.30	9.30	9.40 6 mths., 8.75 3 mths., min. £1,000
Nationwide	7.75	8.00	9.25	9.50 4 yrs., 8.50 2 yrs., min. £500
Newcastle Permanent	7.75	8.00	9.30	9.30 3 yrs., 9.00 2 yrs.
New Cross	8.50	8.75	—	—
Northern Rock	7.75	8.00	9.95	9.00 3 yrs., 8.50 2 yrs., min. £200
Norwich	7.75	8.00	9.50	9.00 3 yrs., 8.75 2 yrs., min. £500
Peckham Mutual	8.00	8.50	—	—
Portman	7.75	8.00	9.25	9.00 3 yrs., 8.75 ½-yrly., 8.25 3 mths.
Principality	7.75	8.00	9.25	9.00 3-4 yrs., 8.50 2 yrs., min. £500
Progressive	8.00	8.25	9.85	9.00 2 yrs., 8.75 3 months' notice
Property Owners	7.75	8.50	9.75	9.00 3 months' notice
Provincial	7.75	8.00	9.25	9.00 3-4 yrs., 8.50 2 yrs.
Skipton	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Sussex Mutual	7.75	8.35	10.00	9.30 3 yrs., 9.00 2 yrs., 8.75 1 yr.
Town and Country	7.75	8.00	♣10.00	9.00 3 yrs., 8.50 2 yrs. ♣ Max. £250
Walthamstow	7.75	8.10	9.20	9.15 3 yrs., 8.85 3 mths. not. min. £500
Woolwich	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs.

* Rates normally variable in line with changes in ordinary share rates.
† Includes 0.25% Centenary Bonus throughout 1979.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

EXCHANGE CROSS RATES

Feb. 23	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	2.012	3.725	405.5	8.595	3.363	4.023	1681.	2.409	58.75
U.S. Dollar	0.497	1.	1.851	201.5	4.272	1.671	1.999	840.5	1.197	29.20
Deutsche mark	0.268	0.540	1.	108.9	2.307	0.903	1.080	454.0	0.647	15.77
Japanese Yen 1,000	2.466	4.962	9.186	1000.	21.20	8.292	9.920	4170.	5.940	144.9
French Franc 10	1.163	2.341	4.334	471.8	10.	3.912	4.680	1967.	2.802	68.35
Swiss Franc	0.297	0.598	1.108	120.6	2.556	1.	1.196	502.8	0.716	17.47
Dutch Guilder	0.249	0.500	0.926	100.8	2.137	0.836	1.	420.4	0.599	14.61
Italian Lira 1,000	0.591	1.190	2.203	239.8	5.083	1.988	2.379	1000.	1.424	34.74
Canadian Dollar	0.415	0.835	1.547	168.4	3.569	1.396	1.670	702.1	1.	24.39
Belgian Franc 100	1.702	3.425	6.340	690.2	14.63	5.723	6.847	2878.	4.100	100.

CURRENCIES, MONEY and GOLD

UK MONEY MARKET

Bank of England Minimum Lending Rate 14 per cent (since February 8, 1979)

The Treasury bill rate fell by 0.4721 per cent at yesterday's tender to 12.2281 per cent and the minimum accepted bid for 91-day bills rose to £96.95 with a 21 per cent allotment from £96.83 the previous week. Applicants for 92-day bills were received at £96.92 and above in full. The £300m bills on offer attracted bids of £1,431.83m and all bills offered were allotted. *Next week a further £300m will* be on offer replacing a similar amount of matuirties.

Day to day credit was again in extremely short supply in the London money market, and the authorities possibly over relieved the shortage by buying a large amount of Treasury bills both directly and indirectly, as well as lending an exceptionally large amount to 9 or 10 houses over *the weekend at MLR.*

The market was helped by banks bringing over balances a very large way above target, and Government disbursements (including Rate Support Grant) exceeding revenue transfers to the Exchequer by a very large amount. On the other hand there was a small net take up of Treasury bills and a small increase in the note circulation. There was also the repayment of Thursday's exceptionally large *market advances.*

In the interbank market, overnight loans opened at 15-16 per cent and rose to 20 per cent on the forecast before easing back to 16-17 per cent. Rates then fell to touch 7 per cent during the latter part of the day before closing at 12-14 per cent.

Rates in the table below are nominal in some cases.

EXCHANGES AND BULLION

Trading in yesterday's foreign exchange was described by one dealer as being quiet even for a Friday, with major currencies all trading within narrow ranges. Sterling remained firm and opened at $2.0110 against the dollar. After briefly touching a low point of $2.0075, most of the day's trading was seen at around $2.0100. *During the afternoon,* the pound reached a best level of $2.0155, and although the dollar continued to ease against other currencies, intervention by the Bank of England saw sterling close at $2.0115-$2.0125, a rise of 25 points. On Bank of England figures its trade weighted index rose to 63.9, a level held all day, and compared with Thursday's close of 63.8.

After trading quietly for most of the day, the dollar showed an easier tendency towards the close, after news of further developments of the Russia-China border, and it finished on or around its worst levels against most currencies. The Swiss franc was quoted firmer at SwFr 1.6712½ compared with SwFr 1.6730 on Thursday, while the D-mark rose from DM1.8515 to DM1.8500. However on Morgan Guaranty figures at noon in New York, the dollar's trade weighted average depreciation narrowed slightly to 8.2 per cent from 8.3 per cent. On Bank of England figures the dollar's index was unchanged at 84.4.

Gold closed at $251½-252½, a loss of $1½ an ounce from Thursday, but a gain on the week of $5¼.

OTHER MARKETS

Feb. 23	£	$		£ Note Rates
Argentina Peso	2190-2210	1087-1097	Austria	26.75-27.75
Australia Dollar	1.7780-1.7830	0.8855-0.8860	Belgium	59-60.
Brazil Cruzeiro	44.08-45.08	21.90-22.40	Denmark	10.28-10.58
Finland Markka	7.97-7.98	3.9620-3.9640	France	8.54-8.64
Greek Drachma	72.479-74.247	36.00-36.85	Germany	3.65-3.75
Hong Kong Dollar	9.6850-9.7050	4.8260-4.8300	Italy	1,660-1,710
Iran Rial	148.80-158.80	74-79	Japan	402-412
Kuwait Dinar KD	0.547-0.557	0.2747-0.2748	Netherlands	3.95-4.05
Luxembourg Frc.	58.70-58.80	29.19-29.21	Norway	10.18-10.28
Malaysia Dollar	4.4050-4.4175	2.1950-2.1970	Portugal	90-97
New Zealand Dlr.	1.9030-1.9080	0.9468-0.9490	Spain	139-144
Saudi Arab. Riyal	6.70-6.80	3.3600-3.3615	Switzerland	3.30-3.40
Singapore Dollar	4.3585-4.3700	2.1690-2.1700	United States	2.0050-2.0150
Sth. African Rand	1.69295-1.71477	0.8400-0.8515	Yugoslavia	40.5-42.5

Rate given for Argentina is free rate.

THE POUND SPOT AND FORWARD

Feb. 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0075-2.0155	2.0115-2.0125	0.45-0.35c pm	2.38	0.77-0.87 pm	1.33
Canada	2.4000-2.4120	2.4080-2.4090	0.50-0.40c pm	2.24	1.25-1.10 pm	1.95
Nethlnd.	4.00½-4.03½	4.01¾-4.02¾	2¾-1¾c pm	5.59	6¼-5¾ pm	5.72
Belgium	58.60-58.90	58.70-58.80	25-15c pm	4.09	70-60 pm	4.42
Denmark	10.31-10.36	10.34½-10.35½	2ore pm-par	1.16	3-1 pm	0.59
W. Ger.	3.71-3.74	3.72-3.73	3¼-2¼ pf pm	[illegible]	8½-7¼ pm	[illegible]
Portugal	94.90-95.85	95.05-95.55	30-100c dis	−3.10	[illegible] dis	−4.32
Spain	138.70-139.05	138.90-139.00	25c pm-25c dis	par	20pm-70dis	−1.44
Italy	1,688½-1,692½	1,690½-1,691½	1½lire pm-½lire dis	0.07	½pm-1½dis	−0.02
Norway	10.22½-10.25½	10.23½-10.24½	4½-2½ore pm	3.81	10¼-8¼ pm	3.62
France	8.57½-8.60½	8.59-8.60	4½-3½c pm	5.58	10½-9½ pm	4.63
Sweden	8.75½-8.78½	8.77-8.78	3½-1½ore pm	2.74	9½-7½ pm	3.89
Japan	400-410	404½-408½	320-290y pm	9.03	895-865 pm	8.68
Austria	27.22-27.32	27.25-27.30	22-12gro pm	7.48	57-47 pm	7.62
Switz.	3.35-3.37½	3.35¾-3.36¾	3½-2½c pm	11.60	10¾-9¾ pm	12.19

Belgium rate is for convertible francs. Financial franc 59.55-59.65
Six-month forward dollar 1.55-1.45c pm; 12-month 2.25-3.35c pm.

GOLD

	February 23	February 22
Gold Bullion (fine ounce)		
Close	$251½-252½	$253¼-254
Opening	$252¼-253¼	$249¼-250½
Morning fixing	$250.10 (£125.425)	$251.15 (£124.981)
Afternoon fixing	$251.00 (£124.876)	$252.35 (£125.547)
Gold Coins, domestically		
Krugerrand	$285½-285½ (£141-143)	$285½-289½ (£142-144)
New Sovereigns	$70½-72½ (£35-36)	$70½-72½ (£35-36)
Old Sovereigns	$74-76 (£36½-37½)	$74-76 (£36½-37½)
Gold Coins, internationally		
Krugerrand	$259-261 (£128½-129)	$259½-261½ (£129-130)
New Sovereigns	$65-67 (£32½-33½)	$66-68 (£32¾-33¾)
Old Sovereigns	$74-76 (£36¾-37½)	$74-76 (£36½-37½)
$20 Eagles	$318-323	$318-323
$10 Eagles	$175-180	$175-180
$5 Eagles	$120-125	$121-126

LONDON MONEY RATES

Feb. 23 1979	Sterling Certificate on deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	7-20	—	—	—	—	9-14	—	—	—
2 days notice	—	—	13½-15	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	14-14½	15½-16	—	14	14	15½-15¾	—	—	—
One month	13⅝-13⅜	13⅝-13¾	13¼-13⅝	13⅛-13⅞	13¾	13¾	13-13¼	12¾-12⅛	13⅛	13⅛
Two months	13⅝-13⅛	13⅝-13⅛	—	13⅛-13⅛	13⅝	13⅛	12⅝-12¾	12⅞-12⅝	12⅞	13¼
Three months	12⅞-12¾	12⅞-13⅛	13⅛-13¼	12⅞-13⅛	13⅝	—	12½	12⅛-12⅛	12⅝	13⅛
Six months	12⅝-12¼	12⅞-12⅝	12⅝-12⅞	12¼-12⅝	13	—	—	—	11¾	13
Nine months	12⅛-12	12⅞-12⅝	—	12-12⅝	12⅝	—	—	—	—	—
One year	12-11⅞	12-12⅛	12¼-12¾	12-12¾	12⅛	—	—	—	—	—
Two years	—	—	12⅝-12¾	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 12⅞-13⅛ per cent; four years 13-13⅛ per cent; five years 13-13⅛ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11[illegible] per cent; four-month trade bills 13 per cent.

Approximate selling rates for one-month Treasury bills 11[illegible] per cent; two-month 12[illegible] per cent; three months 12[illegible] per cent. Approximate selling rate for one-month bank bills 13¼ per cent, two-month 12[illegible] per cent; and three-month 12¼ per cent; one-month trade bills 13¾ per cent; two-month 13⅛ per cent; and three-month 13 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 12½ per cent from February 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 10 per cent. Clearing Bank Rates for lending 13½ per cent. *Treasury Bills: Average tender rates of discount 12.2281 per cent.*

EURO-CURRENCY INTEREST RATES

Feb. 23	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	n.a.	10⅛-10⅜	8⅝-9¾	7-7¼	par-⅛	3½-3⅞	6⅝-6⅞	7-10	—	1½-6½
7 day's notice	n.a.	10⅛-10⅜	8¾-9¾	7-7¼	⅛-¼	3⅝-3¾	6⅝-6⅞	10-11	10⅛-10⅜	2.5⅞
Month	13⅛-13⅝	10⅜-10⅝	10⅝-10¾	6¾-7	⅛-⅜	3¾-3⅞	7-7⅛	11½-12½	10⅛-10⅜	3.5⅜
Three months	13⅜-13⅝	10⅞-11⅛	10⅜-10⅝	6⅝-6⅞	⅛-¼	3⅞-4⅛	7⅞-8⅛	12-13	10⅞-11	3¾-4⅛
Six months	13¼-13½	11⅛-11⅜	10⅝-11	6½-6¾	⅜-½	4⅛-4¼	8½-8¾	12½-13½	11⅛-11⅜	4⅛-4⅜
One year	13¼-13½	11⅛-11⅜	10⅝-11	6¾-7	[illegible]	4⅜-4⅝	9-9½	13¼-14½	11⅛-11⅜	4⅛-4⅜

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.40-10.50 per cent; three months 10.70-10.80 per cent; six months 11.05-11.15 per cent; one year 10.95-11.05 per cent.

Long-term Eurodollar deposits: two years 10⅜-10½ per cent; three years 10¼-10⅜ per cent; four years 10¼-10¼ per cent; five years 10¼-10⅜ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

U.K. CONVERTIBLE STOCKS 23/2/79

Statistics provided by *data STREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.▽	Cheap(+) Dear(−)◇ Current
Associated Paper 9¼pc Cv. 85-90	1.40	110.00	200.0	76-80	8.7	7.7	−6.0	−8 to 4	10.4	8.8	−1.6	+4.6
Bank of Ireland 10pc Cv. 91-96	1.20	189.00	47.6	77-80	5.4	2.0	−0.8	−9 to 1	0.0	14.0	7.4	+8.1
British Land 12pc Cv. 2002	7.71	192.00	333.3	80-97	6.4	5.4	8.7	1 to 25	0.0	93.6	53.0	+44.3
English Property 6½pc Cv. 98-03	8.07	121.00	234.0	76-80	5.5	5.0	0.4	−11 to 2	11.5	6.2	−4.4	−4.8
English Property 12pc Cv. 00-05	15.31	96.00	150.0	76-84	13.0	13.0	24.3	24 to 66	26.7	46.1	25.2	+0.9
Hanson Trust 6½pc Cv. 88-93	4.51	86.00	57.1	76-80	7.8	8.5	0.3	−5 to 4	6.1	6.3	0.2	−0.1
Hewden-Stuart 7pc Cv. 1995	0.01	376.88	564.5	75-80	1.9		−1.8	−4 to 8	15.7	6.5	−2.4	−0.6
Slough Estates 10pc Cv. 87-90	5.80	185.00	125.0	78-87	5.4		2.8	3 to 14	37.8	52.0	7.9	+5.1
Thorn Electric 5pc Cv. 90-94	4.19	99.00	29.1	75-80	5.1	5.1	−0.5	−5 to −0	8.8	6.8	−2.1	−1.6
Tozer, Kemsley 8pc Cv. 1981	0.78	89.00	153.9	74-79	9.3	14.2	31.5	12 to 35	5.1	3.9	−1.8	−33.3
Ultramar 7pc net R.Cv.Pfd.	*14.97*	*1.44*	*0.5*	76-88	7.3	4.7	9.4	4 to 14	0.0	57.7	43.9	+34.4
Wilkinson Match 10pc Cv. 83-98	11.10	87.00	40.0	76-83	11.7	11.9	27.9	20 to 38	26.3	34.9	12.8	−15.3

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ▽ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

New Government stocks fetch large premiums on debut

Other Gilt-edged strong and equities also very sound

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Feb. 12	Feb. 22	Feb. 23	Mar. 6
Feb. 26	Mar. 8	Mar. 9	Mar. 20
Mar. 12	Mar. 22	Mar. 23	Apr. 3

* "New time" dealings may take place from 9.30 am two business days earlier.

First-time dealings in the two new and hugely over-subscribed Government stocks were chaotic yesterday. Opening premiums were well in excess of expectations and the longer of the issues, the £15-paid Treasury 13¼ per cent 2000-03 rose from an opening quote of £18, or £3 premium, to £18¾ helped by a rush of demand from Thursday's unsuccessful institutional applicants in attempts to partially reduce losses sustained by them through the decision to honour clients' buying instructions at the issue price.

Stag selling on the part of smaller investors was easily absorbed and dealing activity was intense throughout the day, although the price of the longer issue reacted to £18 before the surprising lack of any replacement tap issues sent quotations upwards again after the official close. At the end of the day, Treasury 13¼ per cent 2000-03 was standing virtually at its highest of £18¾, a hefty £3¾ premium on the issue price.

Demand for the short-medium stock Exchequer 13¼ per cent 1987 was also very heavy although the premium was slightly less: from a starting level of £17½, also in £15-paid form, the price hardened to £17¾ before slipping to £17 and settling in late inter-office trading at £17¾, which represents a premium of £2¾ on the issue price.

Other Gilt-edged securities were not entirely neglected and further widespread investment, although not on the scale seen in the two new issues, extended the previous day's late strength to leave overall gains to 2 points among the high-coupon longs, the rises including Thursday's late improvement which usually amounted to ½ or ¾.

Funds of a shorter variety also began strongly but gains of ½ were gradually eroded by profit-taking prompted by the widely held view that a tap stock in this vicinity would be announced at 3.30 pm. In its surprising absence, the market rallied well and, in the after-hours' trade, rises were stretching to ¾. Thus, the Gilt-edged sector ended a buoyant week with the FT Government Securities index at 67.80 for a rise on the period of 2.61 or 4 per cent.

Leading equities attracted interest prior to the 10 am start in Gilts and this, added to the underlying firmness generated by the funds, was sufficient to keep sellers at bay. After 3.30 pm, fresh investment buyers appeared and the leaders progressed further to close at the day's best with gains of several pence. The FT 30-share index ended 7.8 higher at 467.0 for a gain on the Account of 16.3.

A sizeable institutional demand developed for the Investment currency premium which traded between 89¾ and 92¾ per cent before closing a net 2½ up on the day at 92 per cent. The SE conversion factor yesterday was 0.6763 (0.6830).

The Traded options market again attracted a high level of interest with 1,003 contracts being completed for a weekly average of 936, the highest since September of last year.

Banks strong

A good demand for the major clearing banks gathered pace after-hours and left prices at the day's best. Buoyed by comment on the better-than-expected annual profits, **Barclays** stood out with a jump of 18 to a 1978-79 peak of 410p for an advance on the week of 35. Buying on hopes that NatWest would emulate Barclay's impressive performance helped the shares rise 16 to 308p, while **Lloyds** ended 10 higher at 298p and **Midland** finished 8 to the good at 368p. Elsewhere, Grindlays put on 7 to 124p ahead of Tuesday's results.

Composite Insurances came in for some useful support ahead of preliminary statements next week from three of the major companies. **Commercial Union**, reporting on Tuesday, rose 4 to 146p, while **General Accident**, 198p, and **Royals**, 347p, gained 4 and 7 respectively.

Allied closed a penny better at 82p following the company's denial of any interest in recent take-over favourite De Vere Hotels. Other drink sector leaders met an active business and generally closed slightly harder. **Matthew Clark** firmed 4 to 140p: the interim statement is expected shortly.

Building issues encountered an improved trade and closed on a firm note. **Blue Circle** finished 6 higher at 253p. Reflecting trade that developed late on Thursday, **Breedon and Cloud Hill Lime** advanced 4 to 125p for a gain on the week of 15 and, in a thin market, **Sharpe and Fisher** added a like amount to 55p. The excellent full-year results lifted **Ward Holdings** 5 to 44p. Elsewhere, **H.A.T. Group** attracted buyers at 30p, up 2½ and **Royco** continued higher to 46p, up 2. Press comment on the annual results lifted **SGB** 8 to 194p.

Trade in ICI remained fairly slow, but favourable comment on the outlook for the company lifted the price to 385p and a late upsurge left the close 14 up at 389p. **Fisons** found support, at 300p, up 5, as did **Brent**, 8 to the good at 220p.

Burton higher

Continuing to attract support on enfranchisement and to a lesser extent, bid hopes, **Burton** issues featured Stores again; the A rose 9 to 208p, while the **Ordinary** added 5 to 235p as did the **Warrants**, to 64p for respective rises on the week of 19, 21 and 11½. Elsewhere, **Gussies A** appreciated 10 to 308p as did **MFI Furniture**, to 234p.

Buying interest in the Electrical sector broadened considerably and gains were fairly widespread throughout the list. Stimulated by a favourable Press article, **Eurotherm** advanced to 320p before settling a few pence below the best at 318p for a gain of 20. **United Scientific**, a poor market since the chairman's annual statement, rallied 9 to 252p, while further demand left **Unitech** 7 higher at 197p, after 199p. Gains of around 8 were marked against **Racal** 386p, **Cableform**, 75p, and **Wholesale Fittings**, 248p. Further consideration of the results prompted a gain of 3 to 60p in **Allied Insulators**. Among the leaders, **GEC** were briskly traded and closed 10 to the good at 334p, while **EMI**, up 4 more at 136p, continued to benefit from the X-ray scanner licensing agreement with Johnson and Johnson.

The Engineering leaders made modest progress. Elsewhere, a late flurry of demand pushed **Averys** up 9 to 204p and **Ransomes Simms** 6 to 169p. **Moss Engineering** closed 4½ to the good at 89½ following the revised offer from **GEI International**, worth around 89p per share, which was rejected by Moss. **WGI** were wanted and put on 6 to 124p along with **J. Austin**, 10 dearer at 118p. **Neepsend** hardened 1½ to 42½p following the interim statement and **Spencer Clark** responded to the encouraging tenor of the chairman's annual statement with a rise of 3 to 32p. Dealings were temporarily suspended in **Hartle Machinery** at 18p following the announcement that discussions are at an advanced stage which may lead to the sale of certain of the company's major UK manufacturing interests.

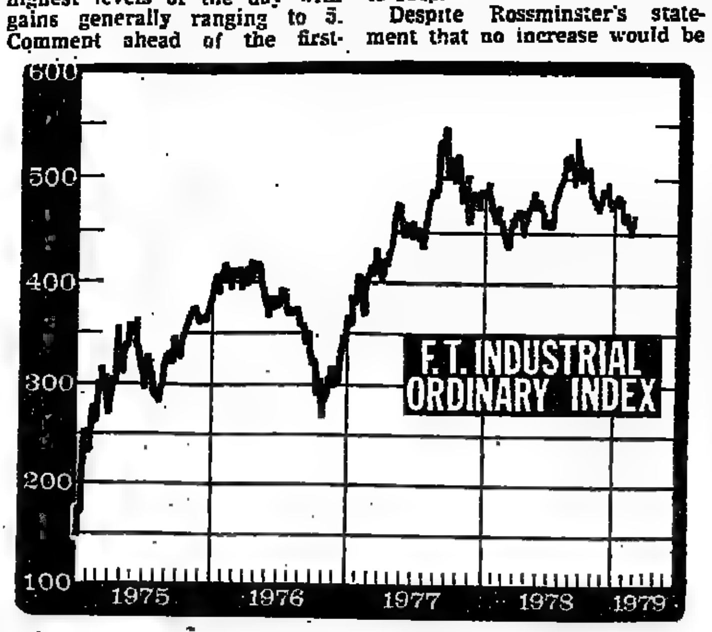
A brisk trade developed in Foods where **Spillers** firmed 1½ to 39p following Press comment highlighting bid possibilities. **Robertson** continued to attract buyers and put on 3 for a two-day rise of 7 to 144p, while **Bernard Matthews** moved up 6 to 190p and **Squirrel Horn** firmed 3 to 47p.

Press suggestions that Allied Breweries was a likely suitor for **De Vere Hotels** lifted the latter 10 to 250p for a gain on the week of 44, while Allied's denial made no apparent impact. Elsewhere in Hotels and Caterers, vague bid rumours prompted a rise of 4 to 49p in **Reo Stakis**.

BOC good

The strength of gilt-edged securities continued to bolster the miscellaneous Industrial leaders which closed at their highest levels of the day with gains generally ranging to 5. Comment ahead of the first-quarter figures due next Wednesday helped **BOC International** add 3 to 75p. Elsewhere, **Hunting Associated** jumped 17 to 180p on renewed buying in a thin market and **J. Crean** put on 14 to 240p for a similar reason. A resurgence of speculative interest lifted **Stormgard** 3 to 18p, while investment buying lifted **Wilkinson Match** 7 further to 175p and **Crest Nicholson** added the same amount to 104p, the latter on further consideration of the good results. **Aeronautical and General Instruments**, 128p, **Aaronson**, 75p, **Ricardo**, 310p, and **ICL**, 475p, all hardened around 5, while **Caplan Profile** improved 6 more to 156p on the chairman's confident statement. Against the trend, **Booker McConnell** stood out with a fall of 18 to 268p as the shares came on offer throughout the session; the preliminary results are expected later next month. Comment on the results prompted a swift reversal in **Bath and Portland** which, at 48p, lost 5 of the previous day's rise of 7, while **National Carbonising** fell 4 to 40p on the Board's reiteration that an interim dividend would not be paid and that the final is also in doubt.

Associated Leisure firmed 5 to 84½p, while late speculative interest lifted **Management Agency and Music** 4 to 142p and **Pleasurama** 8 to 110p.



Motor sectors reflected the market trend although business was light. **Lucas** rose 7 to 280p, while **Jonas Woodhead** added 4 to 96p., **Wilmot Breeden**, down to 94p on profit-taking awaiting the outcome of the Rockwell talks, met late buying and closed a net penny to the good at 97½p. Among Distributors, **Hartwells** put on 6 to 114p.

Despite Rossminster's statement that no increase would be made in its offer of 100p per share for **Jacksons Bourne End**, the latter rose 5 to 128p, for a gain of 10 on the week. Elsewhere in paper issues, **Mills and Allen** shed 2 but still recorded a week's rise of 18 at 230p. **International Thomson** were again in demand, putting on 5 to 362p.

Properties continued in buoyant vein following strong demand. **Bernard Sunley** stood out, at 283p, up 15p, while **Allnatt London** added 6 more to 264p for a rise on the week of 26. **Samuel**, 104p, **Brixton Estate**, 137p, and **Rush and Tompkins**, 108p, all put on 4, while **Regional** advanced 6 to 96p. Other notable improvements included **Dares Estates**, which gained 2½ to 20p, and **R. Green**, up 3 to 48p.

Already 1½ above Olympia and York's 50p per share cash offer, **English Property** gained 2½ to 54p to match the after hours' increased bid from the same source.

Oil leaders active

A much brisker trade developed in the Oil leaders after the recent lull in activity and, despite faltering at one stage, final quotations were at the day's best. **British Petroleum** advanced 12 to 988p and **Shell** 8 to 642p, while dollar premium influences were reflected in a rise of ¾ to £46¾ in **Royal Dutch**.

A dull market lately on the impending loss of the BMW franchise, **Tozer Kemsley** encountered solid support and gained 3 to 46p.

Buying interest was fairly widespread throughout the Trust sector. **Dualvest** stood out in Capital issues with a gain of 7 to 210p. Among Financials, the boom in Gilt-edged securities stimulated demand for stock jobbers **Akroyd and Smithers**, 12 to the good at 194p.

Shippings tended firmer, with quite a lively business developing in **P. and O. Deferred**, up 3 at 81p.

Barely-tested Textiles closed with few alterations but **Courtaulds** put on 3 to 108p, while **Nottingham Manufacturing**, a depressed market following the disappointing results, rallied 4 to 121p.

In Tobaccos, **Bats** rose 4 to 307p following an investment recommendation.

End-account influences left Plantations slightly easier. **London Sumatra** slipped 5 to 235p, but still managed a rise on the week of 21. **Guthrie**, down to 433p earlier, rallied to end unchanged on the day at 443p.

Golds edge higher

South African Golds ended the week on a firm note despite the uncertain trend in the bullion price, which was finally $1.75 easier at $251.875 per ounce, although still $5.50 higher over the week, following the outcome to Thursday's U.S. Treasury gold sale.

The gold share market opened on a steady note reflecting the trend in overnight U.S. markets but then eased a shade owing to modest Cape offerings. Thereafter, prices began to pick up as London and U.S. interest became evident.

The Gold Mines index improved for the third consecutive day to register a further 1.8 gain at 183.4—a week's rise of 6.2—but the ex-premium index remained unaltered at 124.0.

South African Financials were featured by the continued strength of Coals. Good results from "Amcoal" earlier in the week prompted buying of the shares which gained 10 yesterday to 830p for a week's rise of 35.

Transvaal Consolidated Land hardened ½ more to a new 1978-9 high of £17½ bringing the gain on the week to £1¾. **De Beers** held steady at 458p but put on 14 over the week; the 1978 results are expected on March 6.

Hampton Areas were outstanding in Australians; trading in the shares was resumed after news that the company had sold the right to its royalties on Western Mining's nickel production and sales. Hampton's shares rose to 167p compared with a pre-suspension price of 152p.

Elsewhere in Australians, **Pacific Copper** attracted renewed speculative buying which lifted the shares a further 8 to a high of 120p—a week's gain of 26p.

FINANCIAL TIMES STOCK INDICES

—	Feb. 23	Feb. 22	Feb. 21	Feb. 20	Feb. 19	Feb. 16	A year ago
Government Secs.	67.80	66.93	66.31	66.26	65.98	65.19	74.71
Fixed Interest	67.98	67.58	67.22	66.96	66.44	66.05	77.63
Industrial	467.0	459.2	456.9	460.3	460.3	455.3	444.2
Gold Mines	183.4	181.6	180.5	179.5	180.1	177.2	165.3
Gold Mines(Ex-$ pm)	124.0	124.0	123.0	123.0	123.7	121.1	114.9
Ord. Div. Yield	6.08	6.17	6.20	6.16	6.17	6.24	6.02
Earnings, Y'ld % (full)	15.88	16.11	16.19	16.10	16.11	16.31	17.93
P/E Ratio (net) (*)	8.16	8.04	8.00	8.05	8.06	7.98	7.82
Dealings marked	5,323	5,451	5,494	6,057	4,853	4,726	6,173
Equity turnover £m.	—	65.33	87.00	83.99	65.32	60.36	77.67
Equity bargains total	—	15,448	16,936	16,978	14,173	11,536	12,83[illegible]

10 am 465.1. 11 am 463.7. Noon 464.3. 1 pm 464.4. 2 pm 464.4. 3 pm 464.4.

Latest Index 01-246 8026.

*Nil = 7.83.

Basis 100 Govt. Secs. 15/10/26 Fixed Int. 1928. Industrial Ord. 1/7/35 Gold Mines 12/9/55. Ex $ premium index started June 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1978/9 High	1978/9 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	78.58 (5/1/78)	64.64 (6/2/79)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1/78)	65.77 (12/2/79)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9/78)	433.4 (2/3/78)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/8/78)	134.1 (28/11/78)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	132.3 (14/8/78)	90.3 (18/4/78)	337.1 (3/4/74)	54.3 (25/6/75)

S.E. ACTIVITY

	Feb. 23	Feb. 22
—Daily		
Gilt Edged	180.8	192.6
Industrials	163.1	174.4
Speculative	48.6	41.7
Totals	121.2	124.1
5-d'y Av'r'ge		
Gilt Edged	187.1	179.5
Industrials	166.7	156.4
Speculative	42.9	39.1
Totals	121.0	112.7

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 20	Mar. 5	May 17	May 30
Mar. 6	Mar. 19	May 31	Jne. 12
Mar. 20	Apr. 2	Jne. 14	Jne. 26

For rate indications see end of Share Information Service

Call options were reported in Town and City, Dunlop, Royco, Nottingham Manufacturing, Cons. Gold, Spillers, FNFC 9½ per cent 1992/97, BP, British Land, Bowthorpe, Oil Exploration, Tesco, BSR, Rothschild Investment Trust, Dunbee-Combex and Burmah. No puts were recorded, but double options arranged included British Land, Dunlop, English Property, BL, Sears and UDT.

NEW HIGHS AND LOWS FOR 1978/9

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978-79.

NEW HIGHS (127)

CANADIANS (1)
BANKS (2)
BEERS (2)
BUILDINGS (8)
CHEMICALS (1)
DRAPERY & STORES (11)
ELECTRICALS (7)
ENGINEERING (7)
FOODS (3)
HOTELS (4)
INDUSTRIALS (18)
LEISURE (4)
MOTORS (2)
NEWSPAPERS (1)
PROPERTY (39)
SHIPPING (1)
TRUSTS (1)
OILS (1)
OVERSEAS TRADERS (2)
RUBBERS (1)
TEAS (1)
MINES (9)

NEW LOWS (7)

BRITISH FUNDS (1)
Treas. Variable 1983
ELECTRICALS (2)
Berec Philips Fin. 5¾pc
ENGINEERING (1)
Braithwaite
INDUSTRIALS (2)
Airfix Inds. Brady Inds. A
PAPER (1)
Transparent Paper

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978-79 high	1978-79 low
BP	£1	12	988	+12	988	720
ICI	£1	12	389	+14	421	328
Shell Transport	25p	12	642	+ 8	642	484
Barclays Bank	£1	11	410	+18	410	296
Rank Org. "New"	Nil/pd.	10	18pm	+ 3	18pm	7pm
Commercial Union	25p	9	146	+ 4	164	132
Guthrie Corp.	£1	9	443	—	450	211
Man. Agency Music	10p	9	142	+ 4	142	69
Distillers	50p	8	215	+ 1	215	163
GEC	25p	8	334	+10	349	233
P. & O Defd.	£1	8	81	+ 3	118	76½
Boots	25p	7	195	+ 2	237	184
Grand Met.	50p	7	123½	+ 2½	123½	87
RTZ	25p	7	294	+ 2	294	164
Sedgwick Forbes "New"	Nil/pd.	7	2pm	—	5½pm	2pm

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1978-79 high	1978-79 low
BP	£1	74	988	+24	988	720
Shell Transport	25p	68	642	+ 8	642	464
ICI	£1	65	389	+25	421	328
Barclays Bank	£1	55	410	+35	410	296
Beecham	25p	48	632	+17	736	581
EMI	50p	48	136	+10	190	124
Rank Org. "New"	Nil/pd.	46	18pm	+11*	18pm	7pm
RTZ	25p	43	294	+18	294	164
BATs Defd.	25p	42	287	+ 7	304	227
Sedgwick Forbes "New"	Nil/pd.	40	2pm	− 2	5½pm	2pm
Distillers	50p	37	215	+ 9	215	163
Grand Met.	50p	37	123½	+ 6½	123½	87
Reed Intl.	£1	37	160	+ 4	183	102
Burmah Oil	£1	36	90	− 2	95	42
Racal Electronics	25p	34	386	+16	386	196

* Change based on opening price.

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	73	4	5	290	14	104
Corpns. Dom. and Foreign Bds.	26	3	36	153	8	188
Industrials	500	166	870	2,069	902	4,654
Financial and Property	191	41	276	772	266	1,506
Oils	10	7	21	45	36	109
Plantations	4	11	17	40	24	96
Mines	48	23	69	265	119	316
Recent Issues	8	1	20	34	20	98
Totals	860	256	1,313	3,668	1,390	7,041

BASE LENDING RATES

A.B.N. Bank 13½%	■ Hill Samuel §13½%
Allied Irish Banks Ltd. 13½%	C. Hoare & Co. †13½%
Amro Bank 13½%	Julian S. Hodge 14½%
American Express Bk. 13½%	Hongkong & Shanghai 13½%
A P Bank Ltd. 13½%	Industrial Bk. of Scot. 12½%
Henry Ansbacher 13½%	Keyser Ullmann 13½%
Associates Cap. Corp. 14%	Knowsley & Co. Ltd. 14½%
Banco de Bilbao 13½%	Lloyds Bank 13½%
Bank of Credit & Cmce. 13½%	London Mercantile 13½%
Bank of Cyprus 13½%	Edward Manson & Co. 14½%
Bank of N.S.W. 13½%	Midland Bank 13½%
Banque Belge Ltd. 14%	■ Samuel Montagu 13½%
Banque du Rhone et de la Tamise S.A. 14%	■ Morgan Grenfell 13½%
Barclays Bank 13½%	National Westminster 13½%
Bremar Holdings Ltd. 14½%	Norwich General Trust 13½%
Brit. Bank of Mid. East 13½%	P. S. Refson & Co. 13½%
■ Brown Shipley 13½%	Rossminster 13½%
Canada Perm't Trust 13½%	Royal Bk. Canada Tst. 13½%
Cayzer Ltd. 14%	Schlesinger Limited 13½%
Cedar Holdings 13½%	E. S. Schwab 14½%
■ Charterhouse Japhet 13½%	Security Trust Co. Ltd. 14½%
Choulartons 13½%	Shenley Trust 15%
C. E. Coates 13½%	■ Standard Chartered 13½%
Consolidated Credits 13½%	Trade Dev. Bank 13½%
Co-operative Bank *13½%	Trustee Savings Bank 13½%
Corinthian Securities 13½%	Twentieth Century Bk. 14½%
Credit Lyonnais 13½%	United Bank of Kuwait 13½%
Duncan Lawrie 13½%	Whiteaway Laidlaw 14%
The Cyprus Popular Bk. 13½%	Williams & Glyn's 13½%
Eagil Trust 13½%	Yorkshire Bank 13½%
English Transcont. 13½%	■ Members of the Accepting Houses Committee.
First Nat. Fin. Corp. 14%	* 7-day deposits 11%. 1-month deposits 11½%.
First Nat. Secs. Ltd. 14%	† 7-day deposits on sums of £10,000 and under 11% up to £25,000 11½% and over £25,000 11¾%.
■ Antony Gibbs 13½%	‡ Call deposits over £1,000 11%.
Greyhound Guaranty 13½%	§ Demand deposits 11%.
Grindlays Bank ‡13½%	
■ Guinness Mahon 13½%	
■ Hambros Bank 13½%	

LONDON TRADED OPTIONS

Option	Ex'rc'se price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	950	67	1	86	—	107	—	986p
BP	1000	25	18	58	16	80	—	,,
Com. Union	140	12	55	15	—	19	—	146p
Cons Gold	160	52	—	54	5	—	—	206p
Cons Gold	180	32	3	34	—	42	—	,,
Cons Gold	200	15	[illegible]	21	4	27	—	,,
Cons Gold	220	6	22	12	12	17	43	,,
Courtaulds	110	5	12	7	—	10	2	107p
Courtaulds	120	1½	—	3½	6	6½	—	,,
GEC	280	77	5	—	—	—	—	329p
GEC	300	39	7	65	—	61	—	,,
GEC	330	16½	15	32	—	42	—	,,
GEC	360	6	7	17	5	—	—	,,
Grand Met.	110	15½	4	16½	38	18	—	123p
Grand Met.	120	6½	51	8½	41	12	—	,,
Grand Met.	130	1½	45	5½	5	7	—	,,
ICI	330	52	15	65	—	70	—	388p
ICI	360	22	[illegible]	35	—	47	—	,,
ICI	390	6	94	19	15	26	15	,,
ICI	420	1	—	7½	10	—	—	,,
Land Secs	240	38	14	44	—	52	—	275p
Land Secs	260	19	21	28	—	37	—	,,
Land Secs	280	7	66	16	—	24	—	,,
Marks & Sp	80	10	—	12½	5	16½	10	88p
Marks & Sp	90	3½	17	6½	—	8	10	,,
Shell	600	47	7	75	—	88	—	640p
Shell	650	16	1	44	—	58	—	,,
Totals			531		154		80	
		May		**August**		**November**		
BOC Intl.	70	8	6	10	—	11½	5	75p
BOC Intl.	80	3	26	5	—	6½	6	,,
Boots	200	11½	5	17½	4	25	—	195p
Boots	220	3½	6	9	—	—	—	,,
EMI	120	21	—	24	—	29	6	134p
EMI	130	13½	20	17	—	23	—	,,
EMI	140	8½	51	13	2	18	—	,,
EMI	160	3½	50	6	5	—	—	,,
ImperialGp	90	3	—	4½	—	6½	25	85p
RTZ	260	42	5	49	—	—	—	293p
RTZ	280	30	50	37	—	44	—	,,
RTZ	300	17	15	28	1	36	1	,,
Totals			194		12		45	

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price p:	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
65	F.P.	20/2	123	68	Caledonian Hldgs.	123	+2	47.8	1.6	8.9	10.5
‡‡	F.P.	16/2	138	118	Hunting Assoc. Defd.	138	+17	—	—	—	—
‡‡	F.P.	9/2	38	31	M. Y. Dart Defd	38	+1	—	—	—	—
95‡‡	Nil	—	5½pm	2pm	Sedgwick F. New 10p	2pm	.....	T5.0	2.1	7.7	9.1

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price	+ or −
‡‡	F.P.	16/2	109p	102p	Assoc. Dairies 9¾% Pref.	103p	.....
¶	F.P.	23/2	58p	53p	Chepstow Race's 8% Cnv. Uns. Ln. 1988	55p	+2
‡100p	F.P.	28/12	100½p	98p	Findlay 8% Cnv. Cum. Red. Prf.	100p	.....
98	£10	—	9¾	9¼	Mid-Southern Water 8% Red. Pref 1984	9¾	.....
100p	F.P.	11/1	107p	100½p	Rivington Reed 9½% Cnv. Cum. Red. Pref.	107p	.....
‡‡		9/3	98p	95p	Shaw Carpets 10% 2nd Cum. Pref. £1	96p	.....

"RIGHTS" OFFERS

Issue Price p:	Amount Paid up	Latest Renunc. Date ●	Latest Renunc. Date ■	1978/9 High	1978/9 Low	Stock	Closing Price p:	+ or −
125	F.P.	9/2	23/3	171	154	Baker Perkins	166	+5
C$21½	Nil	—	—	24pm	18pm	Bank of Nova Scotia	19pm	.....
60	Nil	6/3	27/4	10pm	6pm	Burco Dean	10pm	.....
220	F.P.	14/2	6/4	274	238	Haslemere Estates	274	+2
50	Nil	—	—	5pm	3pm	Hawkins & Tipson	5pm	.....
67	Nil	7/3	20/4	13pm	7½pm	Macpherson (D)	13pm	+1
58	F.P.	26/2	26/3	66	61	Montfort	61	−1½
225	Nil	—	—	18pm	7pm	Rank Org.	18pm	+3
27	Nil	—	—	9pm	8pm	Sekers Intl.	9pm	.....
10	F.P.	23/1	23/2	17½	14½	Suter Electrical Defd.	17	.....
18	F.P.	14/2	14/3	26½	23	Swan Ryan Intl.	26½	.....
315	Nil	—	—	37pm	28pm	Taylor Woodrow	30pm	.....

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section. Fri., Feb. 23, 1979: Index No., Day's Change %, Est. Earnings Yield % (Max.), Gross Div. Yield % (ACT at 33%), Est. P/E Ratio (Net).

	Equity Groups & Sub-Sections	Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Thur. Feb. 22 Index No.	Wed. Feb. 21 Index No.	Tues. Feb. 20 Index No.	Mon. Feb. 19 Index No.	Year ago (approx.) Index No.	1978-79 High	1978-79 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (172)	229.38	+1.4	17.67	5.80	7.73	226.31	226.35	226.89	225.72	192.69	256.28 (14/9/78)	188.95 (2/3/78)	256.28 (14/9/78)	50.71 (13/12/74)
2	Building Materials (28)	202.35	+1.2	18.95	6.40	7.27	200.05	199.92	200.99	198.82	170.27	226.60 (22/8/78)	166.30 (3/3/78)	231.89 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (28)	342.87	+0.7	22.43	5.94	6.27	340.59	339.13	338.04	332.75	302.39	419.51 (14/9/78)	289.35 (6/3/78)	419.51 (14/9/78)	71.48 (2/12/74)
4	Electricals (15)	554.11	+2.4	13.91	3.43	9.84	540.89	542.92	542.71	541.43	414.46	583.72 (10/10/78)	404.47 (2/3/78)	583.72 (10/10/78)	84.71 (25/6/62)
5	Engineering Contractors (12)	348.99	+0.5	19.30	6.49	7.00	347.35	346.71	344.92	341.65	276.78	384.53 (18/9/78)	270.95 (6/3/78)	384.53 (18/9/78)	64.39 (2/1/75)
6	Mechanical Engineering (73)	176.04	+1.0	18.98	6.32	7.03	174.27	174.19	174.95	174.80	153.13	204.75 (14/9/78)	149.87 (2/3/78)	204.75 (14/9/78)	45.43 (6/1/75)
8	Metals and Metal Forming (16)	157.85	+0.7	17.72	9.15	7.85	156.02	155.76	156.95	156.38	155.50	182.91 (18/9/78)	153.60 (12/2/79)	182.91 (18/9/78)	49.65 (6/1/75)
	CONSUMER GOODS														
11	(DURABLE)(53)	218.50	+1.3	16.77	5.15	7.97	207.77	207.80	208.57	206.77	177.12	226.55 (13/9/78)	173.63 (3/3/78)	227.78 (21/4/72)	38.39 (6/1/75)
12	Lt. Electronics, Radio, TV (16)	275.95	+1.4	13.73	3.79	10.21	272.02	272.14	273.33	270.67	212.75	280.21 (13/9/78)	209.01 (3/3/78)	280.21 (13/9/78)	42.85 (13/12/74)
13	Household Goods (12)	158.19	+0.2	18.75	7.38	7.37	157.92	158.84	159.28	159.15	163.95	190.17 (14/9/78)	157.33 (12/2/79)	263.22 (4/5/72)	63.92 (17/12/74)
14	Motors and Distributors (25)	115.16	+1.3	22.34	7.35	5.63	113.66	113.48	113.78	112.84	107.85	135.65 (22/8/78)	104.68 (2/3/78)	170.59 (15/1/69)	19.91 (6/1/75)
	CONSUMER GOODS														
21	(NON-DURABLE) (170)	211.62	+1.1	16.50	6.14	7.97	209.41	209.10	209.42	208.12	182.73	228.23 (14/9/78)	179.46 (2/3/78)	228.23 (14/9/78)	61.41 (13/12/74)
22	Breweries (14)	227.02	+0.9	16.82	6.62	7.54	225.09	224.12	224.59	222.63	206.73	241.57 (8/5/78)	204.04 (27/2/78)	261.87 (28/11/72)	69.47 (13/12/74)
23	Wines and Spirits (6)	303.28	+0.7	15.32	4.92	9.59	301.15	297.54	296.37	293.86	234.08	303.28 (23/2/79)	229.85 (2/3/78)	303.28 (23/2/79)	78.88 (13/12/74)
24	Entertainment, Catering (17)	283.51	+1.9	15.43	6.68	8.57	278.23	275.94	275.93	274.18	230.83	283.51 (23/2/79)	219.62 (2/3/78)	329.99 (12/12/72)	54.83 (9/1/75)
25	Food Manufacturing (19)	199.18	+0.5	18.87	5.58	7.06	198.25	197.68	198.97	197.54	177.23	223.85 (14/9/78)	175.37 (27/2/78)	223.85 (14/9/78)	59.67 (11/12/74)
26	Food Retailing (15)	237.78	+0.4	13.57	4.96	10.02	236.85	237.95	238.44	232.28	181.43	238.44 (20/2/79)	176.53 (3/3/78)	244.41 (27/10/77)	54.25 (11/12/74)
32	Newspapers, Publishing (12)	379.95	−0.2	21.58	6.44	6.57	380.64	382.12	380.97	376.43	304.39	421.75 (14/9/78)	269.59 (2/3/78)	421.75 (14/9/78)	55.08 (6/1/75)
33	Packaging and Paper (15)	134.24	+0.7	18.79	7.85	6.96	133.31	134.01	133.91	133.83	119.84	155.65 (14/9/78)	119.11 (15/2/78)	155.65 (14/9/78)	43.46 (6/1/75)
34	Stores (40)	196.01	+1.5	12.49	4.86	11.46	193.03	193.31	193.31	193.04	165.72	218.54 (13/9/78)	165.17 (2/3/78)	218.54 (13/9/78)	52.63 (6/1/75)
35	Textiles (23)	172.21	+1.4	18.72	8.80	6.92	169.80	169.85	170.35	170.42	166.01	191.90 (12/5/78)	160.85 (2/3/78)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	246.86	+1.0	23.08	8.34	4.98	244.38	243.89	244.39	242.91	229.19	266.50 (23/8/78)	214.88 (15/2/78)	339.16 (2/8/72)	94.34 (13/6/62)
37	Toys and Games (6)	90.94	+0.3	24.40	7.15	4.83	90.64	90.48	90.97	90.28	95.28	125.21 (14/9/78)	88.91 (24/1/79)	135.72 (16/1/70)	20.92 (6/1/75)
41	OTHER GROUPS (99)	200.26	+1.7	15.36	6.31	8.38	196.90	195.77	196.02	195.51	176.54	223.24 (14/9/78)	173.08 (3/3/78)	223.24 (14/9/78)	58.63 (6/1/75)
42	Chemicals (18)	294.09	+3.1	15.06	6.63	8.60	285.24	281.72	283.12	283.29	244.02	315.28 (14/9/78)	238.69 (2/3/78)	315.28 (14/9/78)	71.20 (1/12/74)
43	Pharmaceutical Products (7)	244.58	+1.0	11.36	4.76	10.66	242.10	240.41	242.21	242.23	236.58	291.13 (14/9/78)	228.41 (3/3/78)	291.13 (14/9/78)	228.41 (3/3/78)
44	Office Equipment (6)	127.13	+1.3	15.90	6.40	7.93	125.51	125.51	125.19	123.83	120.51	150.75 (13/9/78)	117.48 (3/3/78)	246.86 (1/9/72)	45.34 (2/1/75)
45	Shipping (10)	415.10	+1.8	14.57	7.32	8.71	407.69	406.18	402.10	404.75	408.16	483.01 (6/1/78)	393.90 (20/11/78)	539.68 (18/5/77)	90.80 (29/6/62)
46	Miscellaneous (58)	214.10	+0.8	18.17	6.73	7.26	212.45	212.48	211.79	210.22	182.30	236.56 (14/9/78)	178.47 (3/3/78)	258.83 (2/5/72)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (494)	220.12	+1.3	16.53	6.02	8.00	217.27	216.84	217.24	216.10	189.45	241.43 (14/9/78)	186.02 (2/3/78)	241.43 (14/9/78)	59.01 (13/12/74)
51	Oils (6)	563.34	+1.2	12.40	3.57	8.77	556.47	556.74	558.56	557.25	433.50	563.34 (23/2/79)	417.98 (2/3/78)	563.34 (23/2/79)	87.23 (29/5/62)
59	500 SHARE INDEX	248.17	+1.3	15.84	5.61	8.12	244.98	244.60	245.11	243.94	209.78	265.03 (14/9/78)	205.42 (2/3/78)	265.03 (14/9/78)	63.49 (13/12/74)
61	FINANCIAL GROUP (115)	175.35	+1.9	—	5.61	—	172.10	171.23	170.82	169.97	154.32	179.39 (9/8/78)	153.85 (27/2/78)	241.41 (11/4/72)	55.88 (13/12/74)
62	Banks (6)	214.69	+3.9	26.22	5.49	5.16	206.65	204.80	203.83	205.70	173.58	214.69 (23/2/79)	171.58 (27/2/78)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	225.30	+0.2	—	8.14	—	224.79	223.46	221.81	216.37	191.28	228.33 (4/1/78)	185.20 (13/4/78)	293.13 (2/5/72)	81.40 (10/12/74)
64	Hire Purchase (5)	160.41	+1.2	19.92	5.49	6.44	158.47	158.42	158.25	158.17	142.67	170.55 (12/1/78)	136.39 (16/11/78)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	128.05	+0.8	—	7.34	—	127.01	128.36	129.05	127.05	128.45	157.59 (9/8/78)	124.97 (17/4/78)	194.46 (15/3/72)	44.88 (2/1/75)
66	Insurance (Composite) (7)	120.14	+2.0	—	7.30	—	117.81	118.04	117.97	116.60	120.25	143.46 (6/1/78)	115.15 (9/11/78)	161.72 (6/10/77)	43.96 (13/12/74)
67	Insurance Brokers (10)	299.00	—	16.64	6.43	8.61	299.06	301.99	302.12	302.92	308.47	372.27 (11/8/78)	292.37 (12/2/79)	372.27 (11/8/78)	65.86 (16/12/74)
68	Merchant Banks (14)	78.47	+0.8	—	6.39	—	77.85	77.82	77.91	76.74	72.66	87.48 (15/9/78)	71.00 (27/2/78)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (43)	303.66	+1.0	3.53	2.68	45.45	300.72	294.78	293.26	289.79	225.88	303.66 (23/2/79)	210.03 (14/4/78)	357.40 (9/11/73)	56.88 (20/4/65)
70	Miscellaneous (10)	113.53	+0.7	19.90	6.94	6.25	112.75	112.44	111.82	111.27	100.12	117.64 (23/8/78)	99.61 (27/2/78)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (111)	207.88	+0.3	—	5.20	—	207.25	207.66	207.44	206.66	179.57	243.92 (10/8/78)	176.48 (6/3/78)	245.79 (25/4/72)	71.63 (13/12/74)
81	Mining Finance (4)	124.67	+0.4	15.08	5.71	8.17	124.23	123.64	121.26	120.04	87.43	124.67 (23/2/79)	85.39 (6/3/78)	175.90 (28/4/69)	66.31 (30/9/74)
91	Overseas Traders (20)	328.87	+0.7	14.82	7.45	8.58	326.67	326.02	324.37	320.60	265.27	337.68 (8/9/78)	262.26 (2/3/78)	337.68 (8/9/78)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	229.05	+1.3	—	5.63	—	226.11	225.65	225.76	224.64	194.24	242.30 (14/9/78)	191.15 (2/3/78)	242.30 (14/9/78)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

	British Government	Fri., Feb. 23	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	102.85	+0.36	0.21	1.87
2	5-15 years	109.16	+1.36	—	1.10
3	Over 15 years	112.88	+1.96	0.00	2.09
4	Irredeemables	122.33	+2.18	1.45	1.45
5	All stocks	108.00	+1.19	0.12	1.79

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

			Fri., Feb. 23	Thur., Feb. 22	Year ago (approx.)	1978-79 Highs	1978-79 Lows
1	Low Coupons	5 years	10.08	10.17	7.77	10.76 (8/2/79)	7.05 (3/1/78)
2		15 years	11.72	11.96	10.07	12.41 (8/2/79)	9.12 (3/1/78)
3		25 years	12.47	12.77	10.54	13.24 (8/2/79)	9.74 (3/1/78)
4	Medium Coupons	5 years	12.88	13.03	9.86	13.95 (8/2/79)	9.30 (3/1/78)
5		15 years	13.15	13.41	11.06	13.95 (8/2/79)	10.18 (3/1/78)
6		25 years	13.15	13.41	11.21	13.95 (8/2/79)	10.34 (3/1/78)
7	High Coupons	5 years	13.08	13.26	10.57	14.31 (8/2/79)	9.67 (3/1/78)
8		15 years	13.68	13.93	12.00	14.52 (8/2/79)	11.13 (3/1/78)
9		25 years	13.67	13.94	12.08	14.48 (8/2/79)	11.26 (3/1/78)
10	Irredeemables		12.05	12.31	10.32	12.90 (8/2/79)	9.88 (3/1/78)

		Fri. Feb. 23 Index No.	Fri. Feb. 23 Yield %	Thur. Feb. 22	Wed. Feb. 21	Tues. Feb. 20	Mon. Feb. 19	Fri. Feb. 16	Thur. Feb. 15	Wed. Feb. 14	Year ago appr'x	1978/79 Highs	1978/79 Lows	Since Compilation Highs	Since Compilation Lows
15	20-yr. Red. Deb. & Loans (15)	51.61	†14.34	51.56	51.58	51.57	51.26	51.25	51.20	52.27	61.00	63.67 (23/1/78)	51.20 (15/2/79)	113.45 (25/10/65)	37.06 (3/1/75)
16	Investment Trust Prefs. (15)	48.85	14.58	48.88	48.88	48.72	48.51	48.12	47.89	48.01	57.16	57.71 (11/1/78)	47.01 (8/2/79)	114.41 (18/8/58)	34.45 (4/12/74)
17	Coml. and Indl. Prefs. (20)	68.57	15.76	68.27	68.28	68.50	67.79	67.76	67.76	67.64	77.27	78.80 (11/1/78)	67.41 (15/2/97)	114.96 (7/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77	Industrial Group	31/12/70	128.20
Other Groups	31/12/74	63.75	Miscellaneous Financial	31/12/70	128.06
Overseas Traders	31/12/74	100.00	Food Manufacturing	29/12/67	114.13
Engineering Contractors	31/12/71	153.84	Food Retailing	29/12/67	114.13
Mechanical Engineering	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Wines and Spirits	16/1/70	144.76	Mining Finance	29/12/67	100.00
Toys and Games	16/1/70	137.72	All Other	10/4/62	100.00
Office Equipment	16/1/70	128.20			

†Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 13p, by post 22p. A fortnightly record of group and sub-section indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4, at £40 per copy.

AUTHORISED UNIT TRUSTS

Crescent Unit Tst. Mngrs. Ltd. (a)(g)				
4, Melville Cres., Edinburgh 3. 031-226 4931				
Cres. Amer. Fd.	24.1	25.9	.....	1.59
Cres. Internat'l.	60.6	65.0	.....	1.00
Cres. High. Dist.	44.8	48.0	.....	9.51
Cres. Reserves	40.2	43.1	.....	4.19
Cres. Tokyo	25.2	27.1	.....	1.93
Discretionary Unit Fund Managers				
22, Blomfield St., EC2M 7AL. 01-638 4485				
Dis. Inc. Feb. 23	183.9	196.1	+5.0	4.94
E. F. Winchester Fund Mngt. Ltd.				
Old Jewry, EC2. 01-606 2167				
Great Winchester	17.7	19.3	.....	5.02
Gt. Winchester O'seas	18.3	20.4	+0.06	4.36
Emson & Dudley Tst. Mngmnt. Ltd.				
20, Arlington St., S.W.1. 01-499 7551				
Emson Dudley Tst.	70.3	75.6	.....	7.00
Equity & Law Un. Tr. M.♥ (a)(b)(c)				
Amersham Rd., High Wycombe. 0494 33377				
Equity & Law	66.5	72.1	+0.6	4.43
ManuLife Management Ltd.				
St. George's Way, Stevenage. 0438 56101				
Growth Units	57.1	60.1	+1.6	4.29

CORAL INDEX: Close 466-471

INSURANCE BASE RATES

†Property Growth	12%
†Vanbrugh Guaranteed	11.75%

†Address shown under Insurance and Property Bond Table.

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

Hill Samuel Invest. Mgmt. Intnl.				
P.O. Box 63, Jersey. 0534 27381				
HS Channel Is. F.	121.0	129.5	.....	3.30
Box 2622, Bern, Switzerland. Telex 33425				
H.S. Overseas	SUS17.50	19.23	-0.10	—
C.S.F. Fd. (Acc.)	SF16.18	16.53	.....	—
Crossbow Fd. (Acc.)	SF3.84	3.94	.....	—
ITF Fd. (Acc.)	SUS8.77	8.91	-0.07	—
International Pacific Inv. Mgmt. Ltd.				
P.O. Box R237, 56, Pitt St., Sydney, Aust.				
Javelin Equity Tst.	A$2.42	2.55	-0.04	—
J.E.T. Managers (Jersey) Ltd.				
P.O. Box 98, Channel House, Jersey. 0534 73673				
Jersey Extrnl. Tst.	175.0	185.0	.....	—
As at Jan. 31. Next sub. day Feb. 28.				
Jardine Fleming & Co. Ltd.				
46th Floor, Connaught Centre, Hong Kong				
Jardine Estn. Tst.		HK$[illegible].99	.....	2.20
Jardine J'pn. Fd.*		HK$397.14	.....	0.90
Jardine S.E.A.		SUS17.37	.....	2.90
Jardine Flem. Int.		HK$12.03	.....	—
Intl. Pac. Secs. (Inc.)		HK$13.34	.....	—
Do. (Accum.)		HK$13.53	.....	—
NAV Feb. 15. *Equivalent SUS85.37. Next sub. day February 15.				
United States Tst. Intl. Adv. Co.				
14, Rue Aldringer, Luxembourg.				
U.S. Tst. Inv. Fund		SUS10.73	-0.08	0.93
Net assets February 22.				
S. G. Warburg & Co. Ltd.				
30, Gresham Street, EC2. 01-600 4555				
Cnv. Bnd. Feb. 22		SUS9.54	-0.03	—
Eng. Int. Feb. 22		SUS19.91	-0.09	—
Gr. St. $Fd. Jan. 31		SUS7.86	.....	—
Merc. Ebd. Feb. 21	SUS10.45	10.55	.....	0.3281
Merc. Mny. Mkt. Feb. 19	£10.39	10.45	.....	—
Warburg Invest. Mngt. Jrsy. Ltd.				
1, Charing Cross, St. Helier, Jsy. C1 0534 73741				
CMF Ltd. Jan. 25	SUS14.45	14.82	.....	2.90
CMT Ltd. Jan. 25	£14.81	£15.20	.....	2.80
Metals Tst. Feb. 15	£15.04	15.41	.....	5.46
TMT Feb. 8	SUS10.45	10.72	.....	2.86
T.M.T. Ltd. Feb. 8	£10.51	10.78	.....	1.26
World Wide Growth Managementφ				
10a, Boulevard Royal, Luxembourg				
Worldwide Gth Fd		SUS16.20	-0.02	—
Wren Commodity Trust				
10, St. George's St., Douglas IoM 0624 25015				
Wren Commod. Tst.	111.7	112.8	.....	—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by φ. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

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Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

1978-79 High	Low	Stock	Price £	+ or —	Int.	Red.
110	101½	Do. 14pc '79	104½	......	14.12	—
114½	98	Do. 14pc '83	101½	+½	13.78	13.50
85	77½	ICFC 5½pc Deb. '80-82	80xd	+½	6.88	12.49
81½	71½	Do. 6¼pcDb. '81-84	74	+1	8.67	13.40
99	84½	Do. 10½pc Uns.Ln. '86	86	+1	12.44	14.10
99¼	84½	Do. 11pc Uns.Ln. '88	86½	+1	12.97	13.70
101½	86	Do. 11¾pc Uns.Ln. '90	87½	......	13.72	14.40
71½	57	Do. 7¼pcADeb. '89-92	60	+1	12.49	14.30
71½	53½	Do. 7¼pcA Db. '91-94	57xd	+1	12.72	14.20
84½	64½	Do. 9pc 'A' '91-94	67xd	+½	13.43	14.40
81¼	62½	Do. 8¾pcLn. '92-97	64½xd	+½	13.76	13.90

FOREIGN BONDS & RAILS

1978-79 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
24	17	Antofagasta Rly.	22	......	—	—
41	33	Do. 5pc Pref.	40	......	—	—
98	98	Chilean Mixed	98	......	—	£3.10

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 47¾% (based on US$2.0105 per £)
Conversion factor 0.6763 (0.6850)

CANADIANS

S.E. List Premium 47¾% (based on $2.4044 per £)

BANKS AND HIRE PURCHASE

1978-79 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's	P/E
110	74	[illegible]	220	+10	[illegible]	2.9	4.5	8.4
*£19	£12⅞	Com'zbk DM10	£16⅛	—⅛	[illegible]	—	4.2	—
£20	£15	C'hgn.Hbk.Kr100	£18	......	Q12%	—	6.7	—
35	18	Corinthian 10p	32	+1	†0.71	7.3	3.3	5.5
£24¾	£13¼	Cred. France F75	£23	......	Q9.87%	—	2.8	—
46	7	Dawes (G. R.)	15	......	—	—	—	—
*£121¾	£89	Deutsche Bank DM50	£109	—¼	Q18%	—	2.2	—
83½	58	F. C. Finance	63	......	†2.03	2.6	4.8	12.1
8⅛	1¾	First Nat. 10p	6½	+⅛	—	—	—	—
3	½	Do. Wrrts. 75-83	2½	......	—	—	—	—
14½	9½	Fraser Ans. 10p	13¾	......	—	—	—	—
199	157	Gerrard Natnl.	196	......	9.12	—	6.9	—
59	37	Gibbs (A.)	50	......	2.23	—	6.7	—
255	195	Gillett Bros. £1	233	—2	16.95	—	11.4	—
29	19	Goode D't Mry.5p	25	......	0.13	—	0.8	—
142	96	Grindlays	124	+7	2.79	7.1	3.4	4.4
130	93	Guinness Peat	103xd	......	H5.67	—	8.2	—
217	155	Hambros	176	+2	†9.76	—	8.3	—
100	78	Hill Samuel	84	+1	†4.97	—	8.8	—
600	40	Do. Warrants	40	......	—	—	—	—

BANKS & HP—Continued

Hire Purchase, etc.

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INDUSTRIALS—Continued

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's	P/E
*76¼	60	Hawkins & Tipson.	64xr	+2	4.46	2.4	10.4	4.8
16¾	7¾	Hawtin 5p	16½	+¼	—	—	—	16.7
78	34	Hay (Norman) 10p	67	......	†3.05	2.1	6.8	10.4
164	120	Hay's Wharf £1	149	−1	5.52	2.7	5.5	8.9
100	72½	Hepworth Crmc.	77	+1	3.35	3.8	6.5	5.9
112	64	Hestair	64	......	†6.99	3.1	16.3	(2.5)
25	20	Hewitt (J.) 5p	25	......	1.05	4.3	6.3	5.7
65	45	Highgate & Job 50p	50	......	†2.54	2.4	‡	8.4
117	77	Hill (Chas.) £1	82	......	†7.37	—	‡	—
38	28	Hirst Mal'son 20p	38	......	2.0	ϕ	8.1	ϕ
92	61	Holden (A.)	78	......	g3.62	3.9	6.9	6.2
74	59	Hollis Bros	66	......	†4.56	1.8	10.3	8.0
177	119½	Holt Lloyd Int. 10p	161	......	†7.11	2.0	6.6	11.7
390	198	Hoover 'A'	203	......	15.04	2.0	11.1	6.9
*175	119	Hoskins & H 20p	135	+1	M10.39	2.0	11.5	11.5
38¼	23½	Howard Tenens	24¼	......	1.91	1.9	11.8	5.6
208	78½	Hunting Assoc.	180	+17	†h1.99	9.2	1.7	9.9
66	23¾	Huntleigh 10p	66	+3	†h0.68	7.0	1.5	14.1
118	49	Hutch Whamp $HK1	60	−1	†Q20c	2.3	3.9	12.3
28½	11⅞	Hyman (I. & J.) 5p	25	......	h0.97	3.9	5.8	6.8
104	89	††IAS Cargo Air	95	......	Pd2.8	2.5	4.4	(20.5)
138	116	Do. 6% Cnv. Pref.	136	......	6.0%	11.2	6.6	—
£24⅞	£14½	I.C. Industries‖	£18⅞	+⅛	Q$1.52	—	4.1	—
487	206	ICL £1	475	+5	8.29	7.4	2.6	5.6
402	308	Imp. Cont. Gas £1	402	+7	g9.96	3.3	3.7	9.5
33	22	Ingall Inds. 10p	31	......	1.87	1.6	9.0	10.3
98	61	Initial Services	94	......	g5.06	2.8	8.0	6.3
20½	8	Inter-City 20p	19	−½	†0.61	2.7	4.8	11.7
54	39	James (John)	49¼	......	†d2.76	2.8	8.6	4.7
17	9½	James (M.) Ind. 20p	16	......	d1.02	1.9	9.5	11.8
307	149	Jardine M. $HK5	173	......	KQ71c	2.3	4.4	9.9
34½	23½	Jentique	32	......	†2.22	1.4	10.7	9.6
*12½	9½	Johnson & Barnes	9½	......	—	—	—	—
121	76½	Johnson Clnrs.	119	+1	†3.95	4.0	5.0	5.6
220	150	Johnson Mthy. £1	220	+8	†h5.53	3.4	3.8	11.1
45	32	Jourdan (T.) 10p	39	......	†2.93	2.7	11.2	4.2
37½	28	Kalamazoo 10p	36½	+½	2.16	1.8	9.1	9.0
136	88	Kelsey Inds.	136	+1	3.61	7.5	4.0	5.0

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

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TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

MINES—Continued

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
74	35	Barymin	66	......	—	—	—
17	9	Burma Mines 17½p	11	......	—	—	—
325	165	Cons. Murch. 10c.	310	+5	—	—	—
465	245	Northgate C$1	385	−5	—	—	—
294	164	R.T.Z.	294	+2	9.5	2.8	4.8
90	30	Sabina Inds. C$1	59	+3	—	—	—
£12	687	Tara Exptn. $1	875	......	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S currency excluding the investment dollar premium. These prices are available only to non-UK residents.

High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
$15¼	$10¼	Buffels R1	$13	......	Q190c	ϕ	16.8
$21¼	830c	East Drie R1	$18⅝	......	Q115c	ϕ	12.5
585c	330c	East Rand Prp. R1	410c	−5	Q10c	—	—
$28¾	$16½	F.S. Geduld 50c	$23¼	−¼	Q315c	2.4	15.2
$15⅛	975c	Pres. Brand 50c	$13⅜	−¼	Q150c	3.2	22.9
$13⅝	900c	St. Helena R1	$13½	......	Q190c	1.4	16.2
550c	313c	Stilfontein 50c	550c	......	Q66c	2.3	13.8
$23⅞	$16¼	Vaal Reefs 50c	$23¼	−¼	Q280c	ϕ	13.6
$37	$25	West Drie R1	$32¾	+¼	†Q385c	1.7	13.5
$31¼	$19	West Hldgs. 50c	$29	......	Q415c	1.4	16.4
$13	895c	Western Deep R2	$11⅞	......	Q147½c	2.4	14.3

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- △ Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ϕ Not comparable.
- ϕ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 26

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FINANCIAL TIMES

Saturday February 24 1979

MAN OF THE WEEK

One war after another

BY PHILIP BOWRING

ONE WAR after another war breeds heroes, and constant war creates epics. On that basis, the constant embattlement of Vietnam should soon produce a cast of Homeric proportions. That may not be much comfort to the "trojans" of China but it looks like the next to join the lists of Vietnamese immortals could be General Van Tien Dung, Chief of Staff of the Vietnamese armed forces.

That name has a long way to go before it comes as familiar as Ho Chi Minh, Uncle Ho the visionary nationalist, poet, Marxist, philosopher, the unforgettable figure with a wispy beard, gentle manner and legendary determination. Ho Chi Minh was the non-military hero who led the Vietnamese struggle against the Japanese, the French and the Americans. He died before the defeat of the Americans though he would have gone to his grave happy in the absolute certainty of eventual victory.

General Van Tien Dung
Every inch a people's hero

The name Van Thien Dung is still nothing compared to Vo Nguyen Giap, the victor of Dien Bien Phu and thus the immediate architect of the expulsion of the French from Indochina. That was a battle whose sweeping political repercussions paled before its military achievement. General Giap is, of course, still alive. He is Minister of National Defence, Vice Premier and Member of the Politbureau.

But in terms of day to day military operations the man now in charge of the defence of Vietnam against Chinese invasion is Van Tien Dung. He is the same man who designed the assault on Cambodia last month which has led directly to the massive Chinese "punishment" of Vietnam. He is also the man who led the final offensive against the regime of Nguyen Van Thieu in South Vietnam in 1975. Dung is an active military figure who at 60 is younger and fitter than most of the top hierarchy in Vietnam. As well as being Chief of Staff he is member of the 14-man Politbureau and Deputy Secretary of the Central Party Military Committee (the Secretary is General Giap).

Unlike many Vietnamese leaders who have elitist and intellectual backgrounds, Dung is every inch a people's hero. He had little formal education and for a time was a textile worker in Hanoi. He joined the Communist party in Houe which earned him a four-year stay in a French jail. Escaping from prison in 1944 he joined Ho Chi Minh's guerrilla forces and enjoyed a spectacular rise. As early as 1946 he was head of the military political department, a position of great influence. He later commanded a division which carried out spectacular operations against the French and in 1953, when he was 36, he was promoted to Chief of Staff. Already he was second only to Giap in the military hierarchy.

General Dung's military achievements have been formidable. But his reputation both inside and outside Vietnam has been helped by the fact that in 1976 he published in the Vietnamese army daily newspaper Nhan Dan, a detailed account of events between March 10 and April 30, 1975. That is, between the start of an assault on the central highlands town of Ban Me Thuot, the opening of an offensive that Dung never imagined would be the final one of the war and the fall of Saigon just seven weeks later. Dung's account is remarkable from two viewpoints. It largely avoids the tedious political rhetoric of most Vietnamese official accounts of anything. And its very publication under Dung's name showed the victorious general was being allowed scope for building a personality cult, just as Giap and Ho Chi Minh had done before him.

Hanoi rushes regular units into action

BY RICHARD NATIONS IN BANGKOK

VIETNAM HAS for the first time brought units of its regular army up from the south of the country, and possibly Laos, into action in the week-long border war with China.

The troops are being rushed to the provincial capital of Lang Xon, where regional forces armed with heavy weapons, artillery and armour have been locked in fierce fighting with the Chinese army for two days.

Lang Xon straddles the strategic road junction between Friendship Pass, which is now controlled by the Chinese, and the national route 1A running 100 miles south to Hanoi. The battle there increases the probability that the Chinese incursion in Vietnam will be prolonged, military analysts here say.

Meanwhile the Soviet Union has begun airlifting military material in two long-range AN22 Antheus and two intermediate-range heavy transport aircraft.

The Soviet aircraft were flying over the Indian subcontinent yesterday, and informed observers suspect that the 7,000-mile range, 45-ton cargo capacity Antheuses probably refuelled in India.

Reports that Chinese aircraft have bombed the Vietnamese deepwater port of Haiphong to prevent Soviet supplies arriving by sea are being denied.

Fighting on the ground appears to have intensified sharply with battalion-size engagements, particularly at Lang Xon and two other provincial capitals, Cao Bang and Lao Kay. Intelligence reports indicate that both sides have suffered heavy casualties and that scores of tanks have been put out of action.

Vietnam has not yet moved forward its main army divisions and ancillary units now securing the Hanoi-Haiphong sector. Those are thought likely to be the last forces to be committed to action.

The Chinese, with an invasion force of 250,000, just under half of which has crossed into Vietnam, now control the large border area between Friendship Pass and the frontier town of Coc Xan after a three-pronged movement to cut that section of national route 4 and envelop Cao Bang. A Chinese division has also pushed 10 miles south-east of Lao Kay, threatening a more aggressive thrust down the Red River valley, a strategic corridor running to Hanoi.

Observers here believe the Chinese, who are comparatively indifferent to casualties, can easily take Lang Xon and command national route 1A, the second major invasion route, leaving them in position for a pincer movement threatening Hanoi and Haiphong.

But the Chinese are not expected to move columns down those routes if they command them because that would inevitably lead to a Soviet riposte. They are thought to hope that the threat alone will draw more of Vietnam's military strength into their "meat grinder" action.

● The United Nations Security Council was last night beginning a debate on the Indochina crisis.

Civil servants begin strikes at 20 key centres tomorrow

BY PHILIP BASSETT, LABOUR STAFF

INDEFINITE STRIKES by 2,000 civil servants in 20 selected key government departments will begin tomorrow night after yesterday's one-day national strike by members of the two largest Civil Service unions over a pay claim.

Lord Peart, the Lord Privy Seal, last night described yesterday's action, which closed many offices and disrupted air services and Customs control, as "inexcusable" since the Civil Service pay agreement still had five weeks to run.

The Civil and Public Services Association and the Society of Civil and Public Services yesterday claimed that the Government was failing to honour its part of the pay agreement. Lord Peart said that was "totally misleading." He repeated the Government's assurance that it was prepared to negotiate a staged settlement based on the findings of the independent Pay Research Unit comparability study.

The number involved in the one-day stoppage was disputed by the two unions and the Civil Service Department. The Department said its monitoring system, showed that about 150,000, or 55 per cent of the two unions' members had taken action. That was about a quarter of the total of white collar civil servants.

The two unions said that branch reports showed a 90 per cent stoppage and that the amount of disruption yesterday could not have been caused if only the number claimed by the department had taken action.

Details of the selective action will be announced today by the two unions, though it is expected to focus on computer and revenue-collecting centres. The VAT computer centre at Southend has already closed.

The resolve of many civil servants, even those who had taken particular note of the Government's agreement to a settlement based on the Pay Research Unit, seemed to have hardened yesterday because of the Prime Minister's attack in the Commons on the action as "unnecessary and unjustified."

Mr. Len Lever, CPSA president, told a rally in London that the Civil Service unions did not feel bound by the concordat between the Government and the TUC before it had been discussed by their conferences. The concordat stresses that strikes should be used only as a last resort.

Pickets were placed yesterday at many Government buildings, including Whitehall ministeries and 10, Downing Street.

Dr. David Owen, Foreign Secretary, said: "I have great pleasure in crossing this picket line" as he went into the Foreign Office.

Yesterday's action was in support of the unions' claim for full implementation of the Pay Research Unit findings, which they estimate show increases of 26-36 per cent due to middle-ranking civil servants.

Picture Page 4

Continued from Page 1

Cash limits

officially seen as a 9 per cent proposal (after allowing for the low pay concession and the negotiating margin) plus anything resulting from the phased comparability study, but not the £1 a week payment on account until August.

There are no commitments beyond this point. But there is an apparent fallback position, implying the Government might finance 61 per cent of any excess pay deals within the local authority sector under its share of the rate support grant formula.

Cash limits on nationalised industries which cover their borrowing, are being maintained within the overall limits set out in the recent spending White Paper.

Detailed estimates will be published from early next month onwards. For the first time, these will be on the same basis as cash limits, to take account of projected pay and prices during 1979-80 rather than current prices.

The Government also yesterday published its spring supplementary estimates for 1978-79, seeking parliamentary approval for increases amounting to £578m. About three-quarters relates to pay and price rises not provided for in the calculations last spring.

The increases are within the cash limits and consistent with the estimated volume of public spending for 1978-79 set out in the recent White Paper, and with the forecast of an £8bn public sector borrowing requirement in 1978-79.

Elinor Goodman writes: Labour Left-wingers were predictably suspicious yesterday that the Government was trying to foist p ublicexpenditure cuts on them by the back door. They were concerned that the new cash limits would inevitably hit jobs.

Since the Conservatives have long preached the virtues of cash limits, it looks like being left to Labour's own back benchers to make the noisiest protests in the Commons.

Poll forecasts big 'no' vote in Wales

BY ROBIN REEVES, WELSH CORRESPONDENT

OVERWHELMING rejection of a devolved assembly for Wales is forecast in a public opinion poll published last night jointly by the Western Mail and Harlech Television.

It sugests that 57 per cent of voters are planning to come down against a Welsh assembly in next Thursday's devolution referendum and only 22 per cent in favour.

This represents a 12 per cent increase in the intended "No" vote and an 11 per cent drop in the "Yes" vote compared with a poll two weeks ago.

The poll was carried out last Monday, before the Prime Minister's strong appeal in Swansea for a "Yes" vote in Wales. But it does suggest that Labour voters, who account for about half the Welsh electorate, are increasingly against the assembly.

Another blow to the "Yes" campaign yesterday was a decision by the Labour leaders of Mid-Glamorgan County Council to defy the official pro-devolution party line and recommend a "No" vote. Mid-Glamorgan covers many of the industrial South Wales valleys and is generally reckoned to hold the key to the Welsh referendum.

Mr. Emrys Jones, General Secretary of the Wales Labour Party, said their attitude simply reflected a vested interest in the status quo. Labour's manifesto for the first elections to the assembly would pledge the setting up of unitary local authorities in Wales, instead of the present three-tier system.

Mr. Francis Pym, the former Conservative Chief spokesman on devolution, said in Cardiff yesterday that the Tories were not necessarily committed to their 1974 manifesto pledge to extend Welsh devolution simply by financing the Welsh Office budget in the form of a block grant. He thought a Commons Select Committee on Welsh affairs might be valuable, but he was against a directly elected devolved body for Wales.

Confidence vote may follow referendum, Page 4

Continued from Page 1

Brokers pay out

Alan Hurst-Brown, senior partner at Rowe and Pitman, a main stockbroking firm.

It also created a stampede in the gilts market, driving up all stocks as dealers tried to cover their positions, he said. "When you consider the Bank's anxiety to create an orderly market you wonder how it could make such a disorderly decision."

Mr. Dundas Hamilton, a former deputy chairman of the Stock Exchange and senior partner of Fielding Newson-Smith, is confident that the Bank will change its procedure to avoid a repetition of Thursday's shambles.

He said that commercial banks have not had difficulty coping with heavily oversubscribed issues. They serve everyone who is on the premises at closing time. The Bank of England has never adopted that practice.

No City firm is thought likely to get into financial difficulties over compensation payments and the general consensus is that no change is needed in the ystem of Government funding, though procedures could be improved.

"And we must all get up earlier in the morning," Mr. *Hamilton added.*

Welsh mines may be closed

BY JOHN LLOYD

THE CLOSURE of a number of pits in South Wales has been discussed in current talks between the Government, the National Coal Board and the National Union of Mineworkers.

Mineworkers' leaders have claimed that the Coal Board has a list of 10 pits marked closure, which would mean the loss of 2,000 jobs.

The South Wales Coal Board would make no comment on the claim last night. However, it is known that two collieries — Abernant and Mardy—have been specifically raised at the tripartite talks as probable candidates for closure, entailing the loss of 1,400 jobs.

They would be added to Deep Duffryn colliery, which has been officially marked for closure for some months. The South Wales mineworkers are now appealing against the move.

Loss-makers

The 10 pits, which were listed at an NUM delegate meeting in Bridgend on Thursday night by Mr. Emlyn Williams, the South Wales NUM president, are TymawrLewis, Merthyr, Cwmgwili, Coegnant, Blaengwrach, Bleanavon, South Celynen and the Fernhill end of the twinned Fernhill-Tower pits, as well as Abernant, Deep Duffryn and Mardy.

These pits together constitute the biggest loss-makers in the South Wales area. However, some of them contribute high quality coking coal and other premium fuels, which would be costly to replace with imports.

Pessimistic

Mr. Philip Weekes, the South Wales Coal Board director, is believed to have made it clear during the tripartite meetings that he wants to trim £16m to £17m over the next five years off the nearly £30m loss made by the mines last year.

He is said to be pessimistic that such savings can be made by better productivity and higher output, but has no definite plans for closures.

Mr. Williams has made it clear in recent months that he would not acquiesce to a closure programme in South Wales, and that he would expect national support from the NUM in opposing closures.

Weather

UK TODAY

MOSTLY dry. Sunny periods.

London, S.E., Cent. S., E., N. England, Midlands, E. Anglia
Frost and fog patches early and late. Dry, sunny spells. Max. 7C (45F).

Channel Is., S.W. England, Wales, Lakes
Dry, sunny periods. Light wind. Max. 9C (48F).

Isle of Man, S.W. Scotland, N. Ireland
Dry, rather cloudy. Max. 7C (45F).

S. Scotland
Dry, bright periods. Max. 6C (43F).

N. Scotland, Islands
Cloudy with some rain. Max. 7C (45F).

● Outlook: Mostly dry. Sunny intervals.

WORLDWIDE

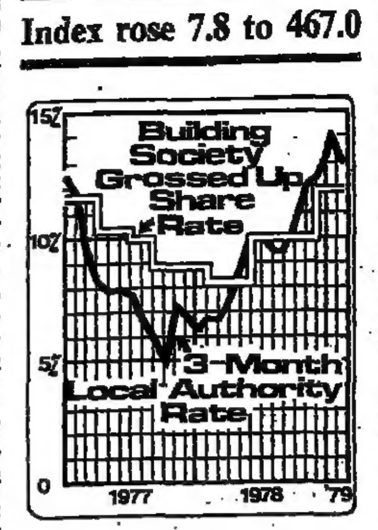
		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	11	52	L. Plms.	S	19	66
Algiers	C	14	57	Lisbon	S	12	54
Amsdm.	C	3	37	Locarno	C	4	39
Athens	C	8	46	London	F	8	46
Bahrain	C	24	75	Luxmbg.	C	2	36
Barclna.	F	13	55	Luxor	S	24	75
Beirut	R	14	57	Madrid	S	9	48
Belfast	S	7	45	Majorca	C	13	55
Belgrd.	S	3	37	Malaga	S	17	63
Berlin	S	−4	25	Malta	R	11	52
Biarritz	F	9	48	M'chstr	S	7	45
Bmghm.	S	7	45	Melbne.	C	25	77
Blackpl.	S	6	41	Milan	C	4	39
Bordx.	F	8	48	Mntreal.	C	1	34
Boulgn.	C	5	41	Moscow	S	−2	28
Bristol	S	8	46	Munich	C	0	32
Brussels	C	3	37	Nairobi	S	24	74
Budpst.	S	4	39	Naples	F	11	52
B. Aires	S	26	78	Nwcstl.	S	7	45
Cairo	S	18	64	N. York	C	4	38
Cardiff	S	7	45	Nice	C	7	45
Cape T.	S	23	73	Oporto	S	14	57
Chicago	C	3	38	Oslo	F	−3	27
Cologne	C	2	36	Paris	C	5	41
Cpnhgn.	F	−2	28	Perth	S	26	78
Corfu	C	8	48	Prague	C	1	34
Dublin	S	6	43	Reykjvk.	R	2	36
Dbrvnk.	F	9	48	Rhodes	S	12	54
Ednbgh.	S	8	46	Rome	R	9	48
Faro	S	16	61	Salzbrg.	Sn	1	34
Florence	F	8	48	Singapr.	S	29	84
Frankft.	Sn	1	34	Stckhm.	C	−2	28
Funchal	C	17	63	Strasbg.	C	3	37
Geneva	Sn	1	34	Sydney	C	26	79
Gibrltr.	S	16	61	Tehran	C	7	44
Glasgow	S	8	46	Tel Aviv	S	17	63
G'nsey	S	7	45	Tenerife	S	15	59
Helsinki	Sn	−9	16	Tokyo	R	10	50
H. Kong	C	24	75	Toronto	C	2	36
Innsbrk.	C	2	36	Tunis	F	14	57
Invrnss.	S	7	45	Valencia	F	14	57
I.o.Man	S	8	46	Venice	F	5	41
Istanbul	C	1	34	Vienna	S	4	39
Jersey	S	8	46	Warsaw	S	−3	27
Jo'burg	C	24	75	Zurich	Sn	−1	30

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

The stag party turns nasty

Index rose 7.8 to 467.0



Not since the Gordon Riots of 1780, when inkpots were melted down to make bullets, have there been such angry scenes at the Bank of England as there were this week when stags of the two new Government issues were locked out at one minute past ten. The Bank was so unnerved by the earlier riots that it set up a military guard, just in case the mob ever returned. Unfortunately, due to defence cuts the Bank picquet, as it was known, was disbanded in 1973. It would have come in useful last Thursday morning, in turning away the mob of punters milling round its doors.

By late yesterday, the longer of the two £15-paid stocks, Treasury 13¾ per cent 2000-03, was standing at a premium of £3¾ while the medium stock went to a premium of £2¾. This sort of premium is unprecedented for partly-paid stock and only heightened the anger of unsuccessful applicants. In just 24 hours investors had made a theoretical profit of £45m on an outlay of £195m.

The change in sentiment since the authorities raised Minimum Lending Rate to 14 per cent just over a fortnight ago has been phenomenal and only underlines just how unstable the markets are at present. None of the fundamentals which made institutional fund managers so gloomy a couple of weeks ago have changed—the cash limits sound fairly strict but there are plenty of loopholes. However, the big difference is that suddenly the market has built up a momentum of its own and as soon as prices start moving the big institutions, which had been piling up their liquidity, cannot afford to miss the boat. There was massive strength in the gilt-edged market yesterday, with gains of up to £1½ in long dated stock.

Now that the authorities have tied up their funding for the current financial year and started making inroads into next year's needs—another tap could be issued next week—there are plenty of excuses for letting MLR fall. Last night, Treasury bills were indicating a fall of 1½ percentage points under the old formula.

However, the authorities might be in less of a hurry than some suspect since there are plenty of uncertainties ahead. After all, MLR is far less relevant than it was except for the discount houses that will be squealing if they have to borrow at penal rates for long.

Second liners

Small is beautiful in the City these days, and second line stocks are very much in favour. The All-Share Index put up a much better performance than the 30-Share Index in 1978, and the same is true this year. Moreover an analysis by the London Business School shows that whereas the All-Share Index produced an overall return (including income) of 8 per cent in 1978, the return on a much bigger weighted index of 2,100 stocks was 14 per cent.

Scores of more or less obscure companies have been recording new high points recently, while the big blue chips in the 30 Share Index have been very much overshadowed by the excitement in gilts. Small wonder that parallels are being drawn with the pattern on Wall Street during 1977-78, when the broadly-based market indices far outdistanced the Big Board heavyweights.

But life is not that easy. Special features of the U.S. story included the introduction of legislation which forced pension funds to think again about the risks involved in their previous policy of running very concentrated portfolios. In addition, private investors re-emerged as net buyers of shares during 1978, and their brokers were only too pleased to encourage them to buy second line stocks—which tend to bring much fatter commissions than blue chips in the U.S. Above all, the U.S. economy was expanding strongly throughout the period, creating just the kind of climate in which small business thrives.

The UK economy did pretty well too last year, by its own more modest standards. There was enough confidence and cash around to boost takeover activity, which is also good for share prices among the most likely victims, the tiddlers. But times are changing. The pace of economic activity slowed down noticeably during the final quarter of 1978, and with rising wage and raw material costs, the company sector now faces a financial squeeze.

When money is short, it is the small companies that suffer most. Much more dependent on trade credit and bank finance than their big brothers, they are the first victims of a credit crunch.

At the moment, the institutions' uncertainty about the state of the stock market is being reflected in the most liquid part of their portfolios—the big blue chips. Some of the big engineering companies, which are well represented in the 30 Share Index, have been especially out of favour this year, and so has Tate and Lyle (another index constituent). Second liners have been more resilient, but it would be unwise to turn them into a fashion in their own right.

Over the long term, it is true that small companies tend to produce better overall returns, but they need to. Studies by the London Business School show that the highest returns are found among the least marketable shares. That is the compensation for their illiquidity, and for the big spreads between bid and offer prices. If the mood changes — as it did on Wall Street last autumn—prices can get really murdered.

Building societies

Since Minimum Lending Rate was hoisted to 14 per cent just over a fortnight ago money market rates have been heading lower much to the relief of the beleaguered building societies. Even so it is touch and go whether they will raise their mortgage rates in the coming months. The only thing that is certain is that they will not be dropping them for a very long time.

In January, seasonally a good month for the societies, they took in £290m. But in February inflows have started to tail off sharply as the gap between building society rates and competing rates, such as the three month local authority rate, has widened sharply. Even after the recent fall in money rates, building society rates are still well out of line and inflows will be well down in the present month.

At the January level the societies can sustain lending of £660m a month. However, it is reckoned that they should be lending £800m a month to meet the demand. So mortgage queues are lengthening, societies are starting to cut back on lending and interest rates will have to be back into single figures before mortgage rates are lowered. It is going to be an expensive summer for home owners.

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